

Weekend FT

Inside Section II  
16 pages



Flotsam of the cut-throat years

The financial buccannery have founded. John Pender surveys the wreckage



Jigsaw puzzle island

The days drift by for Nicholas Woodworth on Mauritius



Last-minute wines

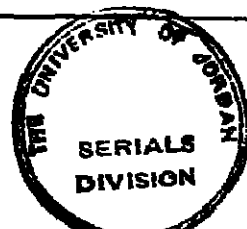
Jancis Robinson recommends High Street buys for the holidays

Owls and larks

Jock Murray (left), the publisher tells Christian Tyler there are two types of author  
Better late...  
Lucia van der Post offers gift ideas for the terminally tardy

EUROPE'S BUSINESS NEWSPAPER

# FINANCIAL TIMES



FT No. 31336

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Weekend December 22/December 23 1990

D 8523A

WORLD NEWS

## Hard fight to expand Kremlin authority

Soviet president Mikhail Gorbachev, battered by the resignation of his foreign minister Eduard Shevardnadze, looked at risk yesterday of failing to muster the necessary majority for sweeping new presidential powers.

Presidential advisers have been urgently lobbying for support in the Congress of People's Deputies, where Mr Gorbachev's constitutional plan will need two-thirds backing.

Page 22: After Shevardnadze, Page 2

## Damages of £1.2m

Hugo Cassel, eight, was awarded record medical negligence damages of £1.2m for brain injuries he suffered at birth in a London hospital.

## Belgian court ruling

Belgian judges refused to accept that three IRA terrorists suspects on remand should be released on a technicality. The Irishmen were arrested after guns and ammunition were found in an Antwerp flat.

## Orders for airlift

The Israeli government ordered El Al, the national airline, to prepare all available aircraft to airlift Soviet Jews from eastern Europe. Six thousand immigrants are expected this weekend.

## Yugoslav defiance

Yugoslavia's northern republic of Slovenia is set to defy the central authorities by holding a plebiscite tomorrow. Voters will be asked whether they want Slovenian independence.

## Bucharest remembers

Romanians poured on to the streets of Bucharest in their thousands to commemorate victims of last December's revolution which toppled dictator Nicolae Ceausescu. Society in search of truth.

## Overnight removal

Albanians in the capital, Tirana, woke to find that Europe's last big statue of Soviet dictator Josef Stalin had been pulled down on government orders.

## Wife loses libel case

Sonia Sutcliffe, the Yorkshire Ripper's wife, lost her libel action against the News of the World newspaper and was ordered to pay costs estimated at about £300,000. Page 5

## Speedier CFC reduction

European Community environment ministers agreed to speed plans for phasing out the use of chlorofluorocarbons which destroy the ozone layer. They also approved a tax scheme to encourage the introduction of cars which produce less pollution. Page 3

## Ordered to testify

Former Greek socialist premier Andreas Panagiotou must give evidence in connection with a bank scandal, a special investigator said. Last month the former premier refused to testify.

## UN relief work halted

The United Nations was told by the Angolan government to suspend an emergency aid programme for up to 1.8m starving people because attacks by UNITA rebels had wrecked an important bridge on the relief route.

## UK trade gap narrows to £971m

The trade deficit has fallen to £971m, taking it below £1bn for the second time this year, according to yesterday's trade data for November from the Central Statistical Office.

The figures suggest that the UK's export performance is flagging in the recession.

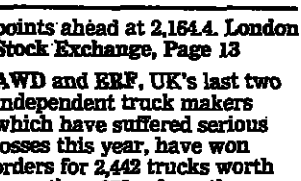
The deficit is at the top end of City expectations but better than the previous month's £1.1bn deficit. Page 22; Details, Page 4

## UK equity market continued

to move nervously against a background of international uncertainties, with little lasting response to the narrowing of the UK trade deficit. At the close, the FT-SE index was 5.6

## FT-SE 100 Index

Hourly movements



points ahead at 2,164.4. London Stock Exchange, Page 13

## AWD and BRF, UK's last two independent truck makers

which have suffered serious losses this year, have won orders for 2,442 trucks worth more than £70m from the government of Zimbabwe. Page 22; Lex, Page 22

## ELF ACQUISITION: The £300m

acquisition of the UK refining and marketing assets of Amoco, US oil group, by the French state-controlled oil group has been referred to the Monopolies and Mergers Commission (MMC). Page 22

## BRIDGESTONE, Japanese tyre

maker, announced a 50 per cent cut in its 1990 profits forecast from £200m (£77.5m) to £100m, caused mainly by heavier than expected losses at Firestone Tyre and Rubber, the US company it bought two years ago for \$2.6bn (£1.34bn). Page 10

## COCKERILL, Sambre and

Arbed, steel producers of Belgium and Luxembourg, called off talks over pooling flat steel products businesses. Page 10

## ISOSCELES: A £237m

refinancing of the UK company which took over the Gateway food retail group is virtually complete. Page 8

## GENERAL ACCIDENT: The

Restrictive Practices Court ruled as unlawful a proposed boycott of the Perth-based insurer by The Institute of Insurance Brokers, which represents about 20 per cent of the UK's 4,500 brokers. Page 4

## AACHENER und Münchener

Beteiligung, big German insurance group, has pumped a further DM250m (£87.10m) into BGL Bank, the struggling ex-trade union bank in which it has a 51 per cent stake. Page 10

## CHARTERHALL: Administrative

receivers were appointed to the Australian-controlled UK holding company for Tandem Shoes, the footwear retailer, and Corah, the textile manufacturer. Page 8

# Cheney says force to free Kuwait is increasingly likely

By David White and Victor Mallet in London and Lionel Barber in Washington

AN ALLIED offensive to liberate Kuwait looks increasingly likely because of Iraq's intransigence in the Gulf crisis, Mr Richard Cheney, the US defence secretary, told US troops in the Saudi Arabian desert yesterday.

"It increasingly looks like he [President Saddam Hussein] is not getting the message and we will have to use force to get him out," Mr Cheney said.

His views were echoed by Mr John Major during his first visit to Washington as Britain's prime minister. He said Iraq had to withdraw totally from Kuwait or be removed by force.

He raised the possibility that Mr Saddam might order a partial pull-out to split the US-led coalition, but predicted this would not work.

"He cannot play games. He has a clear date. He has the Security Council resolutions. Either he obeys them or he knows what the impact of not obeying them will be," Mr Major said.

It emerged yesterday that Britain will send almost 3,000 more troops to Saudi Arabia than was announced a month ago.

Turkey, in a statement underlining the determined mood of the anti-Iraq alliance, confirmed that it had asked its Nato allies to send it three air squadrons - totalling about 40 aircraft - from a rapid reaction force. Belgium immediately said it was preparing a squadron of Mirages.

The US already has 24 F-16 fighters, 14 F-111 tactical strike aircraft and a number of F-15 fighters stationed at the Incirlik base in southern Turkey.

President Saddam, in a German television interview broadcast yesterday, said that Iraq would not withdraw from Kuwait before January 15. This deadline set by the United Nations.

Asked if Iraq would pull out, he said "No". But he also said the door to dialogue was still open.

Hopes for peace talks were revived when Mr Sid-Ahmed Ghazali, the Algerian foreign minister, said Iraq was willing to compromise to avert a war. He was in Rome with President Chadi Bendjedid on the latest leg of an Algerian attempt to mediate in the crisis.

"Iraq certainly seeks a peaceful solution and is willing to pay the price for it - but not any price - and it will not accept any settlement that sullies its honour," he said.

Italian officials said President Chadi had informed his hosts that Iraq would be willing to make unspecified concessions on Kuwait as long as it received guarantees that it would not be attacked.

President Saddam, Mr Chadi said, was concerned by the west's suggestions that a settlement should remove the threat to the region posed by Iraq's military might.

Britain's extra manpower for the Gulf is now put at 16,500, bringing total British ground forces to 28,000 and overall UK forces in the region, including sea and air, to 35,000. This includes more than 5,000 medical personnel.

Britain is for the first time resorting to Soviet transport aircraft to ensure all the equipment is in position before January 15.

A small number of Antonov An-124 heavy freight jets have been chartered on a civilian contract through Heavylift, a UK air cargo company, to carry certain large items of equipment.

## WPP cancels interim dividend

By Alice Rawsthorn

THE SHARE price of the WPP Group, the troubled marketing services company, tumbled yesterday by 11p to 50p, when it announced it would not be paying the interim dividend proposed to shareholders in August.

The company, which is suffering from the slowdown in the US and UK advertising markets, also confirmed that it has begun discussions with its banks to restructure its £315m debt. These discussions are expected to cover the possibility of relaxing WPP's loan covenants and increasing its working capital facilities.

WPP is cutting overheads and reviewing central costs, including directors' pay. The main board of Seatchi & Saatchi, WPP's arch-rival which is also in financial trouble, took voluntary pay cuts earlier this year.

Until recently WPP, which became the world's largest marketing services group in a series of ambitious acquisitions during the 1980s under Mr Martin Sorrell, was one of the most resilient members of the marketing industry. Since spring, the stock market has been concerned about its financial stability.

Last month WPP confirmed the stock market's suspicions by warning that its 1990 profits would not meet expectations. The group's shares, worth more than £500m a year ago, have fallen sharply.

Mr Neil Blackley, marketing analyst at James Capel in London, has revised his forecast for this year from pre-tax profits of £110m to £90m and anticipates a fall in profits to £82m for 1991.

WPP is now finalising the 1991 budgets for its subsidiaries, which include J. Walter Thompson and Ogilvy & Mather, two of the world's largest advertising agencies. WPP said that so far there has been no evidence of a deterioration in the performance of its operations since last month's profits warning.

The board has, however, decided to conserve cash by withdrawing its proposal to pay an interim dividend. Originally, it intended to raise the interim dividend by 21 per cent to 13.7p. It now seems unlikely that it will pay a final dividend.

WPP, advised by Samuel Montagu, its merchant bank, is now in negotiations with its banks, led by J. P. Morgan, to restructure its debt. This year's fall in projected profits means the group will have a net outflow, rather than the cash in 1990 and net debt will have risen to £315m by the year end, rather than the £280m originally expected.

The company is still operating within the terms of its banking covenants - this year's interest cover should be 3.2 times against a covenanted minimum of 2.5 times - but there is a risk of it breaching the covenants next year.

WPP said its major banks had "reaffirmed their support and commitment" and that it was "confident that suitable arrangements will be successfully concluded in the near future".

The issues under discussion include the relaxation of WPP's covenants, the extension of its loans and an increase in working capital arrangements.

## Dollar gains from Soviet crisis

By Peter Norman, Economics Correspondent

THE US dollar emerged yesterday as the main beneficiary of Thursday's surprise resignation of Mr Eduard Shevardnadze, the Soviet foreign minister.

International investors switched funds out of the D-mark to push the US currency to its highest level in more than three months in Frankfurt, while in London it gained 2 1/2 pence to close at DM1.5255.

The pound also advanced against the D-mark, rising 1.75 pence to DM2.88, but against the dollar it dropped two cents to \$1.8875. Sterling remained the weakest currency in the European exchange rate mechanism and was unaffected by news of November's fall in the UK current account deficit.

Concern about the possibility of political and economic turmoil in the Soviet Union weighed heavily on the D-mark, because investors are worried about united Germany's proximity to the USSR. Mr Shevardnadze's warning about the advance of dictatorship in the USSR evoked memories of the Cold War and raised fears that the economies of western Europe, and Germany in particular, could be swamped by Soviet refugees.

However, it was unclear last night whether the dollar's rise of nearly 5 pence in two days could be sustained. The dollar sagged at one point following reports that Iraq was willing to offer concessions on Kuwait to avert war.

Money Markets, Page 11  
London Stocks, Page 13  
Wall St, Pages 18 and 19

Money Markets, Page 11  
London Stocks, Page 13  
Wall St, Pages 18 and 19

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Mr John Major backed the US Defence Secretary's hard line over the Gulf with a warning to Saddam Hussein: "He cannot play games. He has a clear date." Mr Major also had a tough message for the US itself on his first visit to Washington as prime minister, calling for more flexibility over agricultural subsidies to help break the stalemate in trade talks. During his visit, Mr Major is scheduled to meet Congressional leaders and will stay at Camp David with President George Bush. Page 18

## Shops set to flout Sunday trade law

By Clay Harris

THOUSANDS of shops in England and Wales are preparing to flout Sunday trading laws tomorrow in spite of last-minute attempts by some councils to halt their opening.

Last Sunday, an extra 3,000 shops on top of the 80,000 newsagents who normally trade on Sundays were estimated to have opened for the Christmas rush. At least the same number are expected to open tomorrow.

Chain stores such as BHS, which plans to open 100 of its 138 branches, were even advertising Sunday opening in national newspapers. Other chains, including the John Lewis Partnership and House of Fraser, remained opposed to Sunday trading.

The Oxford Street Association, which represents big stores in London's busiest shopping street, said: "The association does not condone law-breaking, and though a couple of our members are doing so, our policy is not to open on Sundays."

The Shopping Hours Reform Council, which favours relaxation of Sunday trading laws, yesterday welcomed the announcement by the Keep Sunday Special action group, which opposes Sunday trading, that it was prepared to meet traders face-to-face if the government chairs the talks.

On Tuesday, Mr John Major, the prime minister, told the Commons that the time was approaching for compromise talks.

On Thursday, a dozen councils launched a legal campaign in the High Court to try to win orders to stop illegal opening. The Dillons group said that although it would observe rulings for the particular areas covered by court orders, it planned to have more stores open this weekend.

Keep Sunday Special estimated that at least half of the 400-plus local councils in England and Wales had taken action to stop stores opening in their areas on Sunday.

Festive divergence, Page 4

HAVE A VERY  
HAPPY  
CHRISTMAS AND  
A PROLIFIC  
NEW YEAR.

**Prolific**  
FINANCIAL MANAGEMENT  
Committed to your  
investment success



# Resignation ignites debate on dictatorship

By Quentin Peel and Leyla Boulton in Moscow

RUMOURS that the Soviet Union is facing the possibility of a reactionary coup have been turned into a genuine political debate by the dramatic resignation of Mr. Eduard Shevardnadze, the foreign minister.

The Congress of People's Deputies, the national super-parliament where Mr. Shevardnadze dropped his bombshell accusation of looming dictatorship, was yesterday divided into opposing camps.

Those who might favour harsh right wing measures to tackle the growing national disorder deny that dictatorship is in the offing. Those who fear it, are convinced that it is about to happen, if the process is not already under way.

"We are facing a creeping coup d'état," Professor Vladimir Chernyak, an economics professor from Kiev, told a sceptical congress yesterday. "Reactionaries, centrists and imperialists have joined forces and turned on the offensive."

At the head of this coup d'état is Mikhail Gorbachev. Maybe he doesn't know it. But by demanding ever new powers he creates the legal basis for a dictatorship.

On the other hand, General Mikhail Moiseyev, chief of the Soviet general staff and deputy defence minister, denied anything like it was in prospect - and did the country need the declaration of a state of emergency.

Gen. Moiseyev was one of the leading signatories of a direct appeal to President Mikhail Gorbachev this week, urging him to use his presidential powers to impose states of emergency on zones of conflict. But he insisted that the powers should only be used in a limited way. As for Mr. Shevardnadze's resignation, he said, "I am very sorry he has done this at such an inappropriate time, when we need to be discussing more important tasks facing the congress."

## US and Europe divided over further aid to Soviet Union

By Lionel Barber in Washington

A SPLIT is emerging between the US and its European allies over whether to offer further economic aid to bolster the flagging reform process in the Soviet Union.

Though shaken by the resignation of Mr. Eduard Shevardnadze, the Bush administration is resisting French and German arguments that the Soviet foreign minister's departure lends urgency to a new aid package.

Soon after Mr. Shevardnadze's departure, both Mr. Hans-Dietrich Genscher, the German foreign minister, and Mr. Roland Dumas, the French foreign minister, issued appeals for further western assistance to salvage perestroika.

Mr. James Baker, US secretary of state and the driving force behind Washington's more accommodating foreign policy stand toward the Soviet Union, was openly hostile to the idea.

"I think we have taken very, very substantial steps to assist the reformers in the Soviet Union," he told reporters, just hours after hearing of Mr. Shevardnadze's resignation.

## German anxieties raised by Shevardnadze's resignation

By David Goodhart in Bonn

AFTER Mr. Hans-Dietrich Genscher, the German foreign minister, had recovered from the shock of Mr. Shevardnadze's resignation, "he had become a real friend," he went on German TV to criticise the lack of western economic support for the Soviet Union.

Yesterday the German Foreign Ministry was playing down the suggestion that Mr. Shevardnadze's disappearance could re-open old arguments within the western alliance about how far one should go in supporting the Soviet Union in its currently unstable form.

But Germany fears collapse or reaction in the Soviet Union more than most countries - "What will become of Germany?" was a headline in the mass-circulation Bild Zeitung yesterday morning.

The Foreign Ministry yesterday said that Germany in 1990 had announced aid of DM26bn to the Soviet Union (some of it spread over several years) and by some estimates Germany is responsible for 80 per cent of western economic aid this year.

The private fund-raising to send emergency food and medical aid to the Soviet Union, which began in earnest at the beginning of December, has already raised several hundred



Col Victor Alkhisin: a founder of the right wing Soyuz group

And yet the issue of dictatorship, or firm rule, or simply law and order, goes to the heart of the constitutional amendments that President Gorbachev has presented for approval by the congress. It is the fact that his new powers may become dictatorial, and involve the military and the KGB in law enforcement, which has alienated his reformist critics - including apparently Mr. Shevardnadze, his erstwhile closest ally.

Doubts also surround the purpose of the president's proposed new powers. Will they be used for introducing a market economy against the entrenched resistance of the old bureaucracy?

Or will they be used to prop up the old state-run economy as a less threatening alternative to market reforms? Will they be used to impose law and order swiftly and briefly where ethnic disturbances break out? Or will they be used, as the Baltic deputies fear, to suppress legitimate nationalist movements seeking secession from the Soviet Union?

In recent weeks Mr. Gorbachev has made regular concessions to those who believe that the old centralised economic

system must be supported, as a transitional phase to a market economy.

The danger, the market radicals argue, is that the ultimate goal will vanish into the future. The Soviet leader has also turned to rely increasingly on the support of conservatives in the military, the KGB and the Communist Party. The question raised by Mr. Shevardnadze is where the line can be drawn between genuine conservatives, and outright reactionaries wanting a return to one-party autocracy.

Mr. Nursultan Nazarbayev, president of Kazakhstan, and one of those demanding that the republics, not Moscow, should dictate the shape of the future union, said: "He is greatly exaggerating but the economic problems are serious." In his speech to the congress, he broadly supported stronger presidential powers, but in more federal system.

Professor Chernyak, speaking for the nationalists of the Ukraine, said he could not understand why President Gorbachev failed to see that it was through republican sovereignty, through genuine devolution of power, that the current crisis could be resolved.

On the other hand, Mr. Anatoly Sobchak, the mayor of Leningrad, and one of the radical reformers backing stronger presidential powers, did agree yesterday that there was a real danger of dictatorship. "I think this warning is more than serious," he said. "Unless the central government and the republics signed an economic agreement by the end of the year, 'dozens and then hundreds of enterprises will close and all of us, democrats, radicals and conservatives, will be bowing to the military and begging them to come and help us.'"

He said attempts were already under way to discredit democracy, and the people were already losing faith in its ability to solve their problems.

In the past three years he has become a close adviser to Mr. Gorbachev, first as chairman of one chamber of the new Supreme Soviet, a key operator in guiding new legislation through the parliament, and then as a full member of the

limited US aid package, but only after Mr. Shevardnadze pledged any crackdown in the Soviet Union would be against crime and ethnic violence - rather than the crushing of legitimate political dissent and rudimentary capitalism.

The US package comprised food credits, medicine, and technical assistance - all at minimum cost to the US taxpayer - coupled with a partial waiver of the Jackson-Vanik amendment restricting trade links until the Soviet emigration law is liberalised.

The promise of associate membership of the International Monetary Fund and the World Bank was also intended as an inducement to maintain economic reform.

Finally, the US remains much more sceptical than some of its European partners about the reports of hungry refugees flooding into the west in search of food and shelter. Recent reports have suggested that some US officials believe this is deliberate disinformation spread hardliners to pressure the west into further assistance.

"We can't be here next winter worrying about another food crisis," said a US official. "The international system just will not respond every year."

Second, the US is more sceptical about the degree of influence can exert over the internal political dynamics of the Soviet Union. Critics argue, however, that this is deliberate, as the administration has placed most of its bets on Mr. Gorbachev's survival as a reformer.

In recent weeks, however, the administration has become more alarmed about the direction in which the Soviet Union is headed.

President Bush agreed to a

are still 2m Soviets of German descent who have a right to settle in Germany, 150,000 of them have already done so this year.

If full freedom to travel is allowed several million more Soviet citizens may be knocking on the door of Germany - a country which is relatively close and has become a symbol of wealth and hope.

There are further anxieties. It was pointed out in Bonn yesterday that Moscow has not yet ratified the 2 plus 4 agreement on the external aspects of German unity, although the Foreign Ministry is confident it will be ratified in February.

The Bonn Government yesterday regretted the resignation but welcomed that Soviet foreign policy would not change. It also said it was convinced that further aid to help Soviet reforms was the only answer, the opposition Social Democrats said the same.

Some newspapers commentators claimed that by not doing enough the west was partly responsible for Mr. Shevardnadze's resignation. An article in the influential Die Zeit, however, questioned whether the Soviets were doing enough to help themselves and claimed that the Soviet defence budget is rising not falling and that the military is producing new types of inter-continental missile.

Apart from a passion for reconciliation with a victim of Nazi aggression, and gratitude for Soviet agreement to reunification, Bonn has a more practical interest in stability: there

system must be supported, as a transitional phase to a market economy.



Primakov at the Congress of People's Deputies yesterday

## Primakov tipped for foreign minister

By Quentin Peel

IF Mr. Eduard Shevardnadze cannot be persuaded to retract his resignation, then the man most widely expected to succeed him is Mr. Yevgeny Primakov, former journalist, commentator, Middle East expert and academic.

It is a change which may well worry Washington. Mr. Primakov is 61, urbane and well-travelled, with a wide knowledge of international affairs, especially of Asia and the Middle East.

In the past three years he has become a close adviser to Mr. Gorbachev, first as chairman of one chamber of the new Supreme Soviet, a key operator in guiding new legislation through the parliament, and then as a full member of the

## Israel orders airlift of immigrants

By Judy Maltz in Jerusalem

THE Israeli government yesterday ordered the national airline, El Al, to prepare all available planes for transporting Soviet Jews from transit points in eastern Europe. Fifteen planes carrying 6,000 immigrants are expected in Israel this weekend.

A sharp increase in numbers wanting to emigrate is expected following the resignation of Mr. Eduard Shevardnadze. Recently, the number of Soviet immigrants arriving each day has ranged between 500-1,000.

Mr. Benjamin Netanyahu, the deputy foreign minister, said yesterday immigration over the next year could double to one million, amid fears that the Soviet Union might once again restrict emigration.

"If, in fact, the Soviet regime collapses, as Mr. Shevardnadze predicted, I don't rule out a sharp increase in Soviet immigration. In other words, if we had planned on half a million immigrants in the coming year, a radical change in the Soviet Union might mean a doubling of that number," said Mr. Netanyahu.

A record 180,000 Soviet Jewish immigrants are expected to arrive in Israel by the end of this year. A sharp increase in the pace of immigration would undoubtedly strain the economy, particularly in the areas of housing and job creation.

Israel's 1991 budget anticipates the arrival of 300,000 immigrants next year. To finance the increased spending required to absorb these immigrants - about \$7bn - the government was forced to raise value added tax from 16 per cent to 18 per cent and to introduce a special 5 per cent levy on income tax.

The Treasury has come under sharp criticism from the central bank for basing the budget on an unrealistically low number of immigrants.

Mr. Abdullah Hourani, an official of the Palestine Liberation Organisation, said yesterday the PLO hoped that with the resignation of Mr. Shevardnadze Moscow would abandon "provocative" Middle East policies and distance itself from the US. Reuter reports.

Iraq did not respond officially to the resignation of Mr. Shevardnadze, who backed Washington in the Gulf crisis, but newspaper reports showed Baghdad's displeasure with his support for the US.

But the EC study sets few macro-economic policy conditions for the short-term aid the Community has promised the Soviet Union.

EC officials explained yesterday that Brussels was letting the International Monetary Fund take the lead in prescribing overall macro-economic solutions, and that in any case EC emergency food aid and medium-term technical assistance made political and economic sense, whatever reform path Moscow finally chose.

The resignation of Mr. Eduard Shevardnadze as foreign minister would "complicate" the European Community's task in helping the Soviet Union to the extent that his departure compromised the central leadership in Moscow, they said.

Meanwhile, EC officials began talks in Moscow on

Presidential Council. He is also a competent broadcaster, a familiar sight on television firmly supporting the Gorbachev line on the need for national unity, and denouncing what he calls "the frenzy of pseudo-democratic sentiments".

Yet he is one of those figures in Soviet public life, and particularly in the Soviet foreign affairs community, who have made the transition from prominence under the old regime to prominence under the new. He was an able and forceful diplomat for Soviet foreign policy under Brezhnev. Now he is an able and forceful operator of Soviet policy under Mr. Gorbachev.

His other potential disadvantage in western eyes is that he is a considerable Middle East specialist, with his contacts steeped in the years of super-power confrontation in the region.

He was a roving columnist and deputy editor of Pravda, the Communist Party newspaper, throughout the 1960s, covering Asia and Africa. Then he returned to academic life at Moscow in 1970, rising to become deputy director. All his main publications have been on the Middle East, one earning him the Nasser Prize in 1978.

His Middle East expertise was one reason for American disquiet when, in the autumn, he was despatched by Mr. Gorbachev as a roving envoy to search for a peaceful settlement to the Gulf crisis.

At least, for formal agreement between the union and the republics on the most pressing issues.

The report says conservative approaches to reform, with gradual adjustment of prices and few structural changes, would almost certainly fail. They would lead to "growing macroeconomic imbalances, increasingly severe shortages and rising black market prices."

The study thus favours a radical approach in which the budget deficit is rapidly reduced to 2 or 3 per cent of GDP, most prices are immediately deregulated and small enterprises are privatised. An initial sharp fall in production and employment would be unavoidable but the scene would be set for a rapid future recovery.

The transition could be cushioned by temporary controls on the prices of public utilities and housing rents and a system of "border taxes" to give industries time to adjust to the world prices of energy and other crucial inputs.

The rest of the world can best help by providing technical assistance on a large scale and carefully targeted food aid, oil and milk powder, targeted at children, pensioners, handicapped, and those affected by ecological disasters around Chernobyl and the Aral Sea.

EC officials say they also held talks with German diplomats in Moscow, drawing on their experience of distributing aid inside the Soviet Union. Some Soviet Red Cross officials have apparently been caught diverting food. Two of the neediest areas, the Germans have told the Commission, are the Kola peninsula and the Ural industrial region around Chelyabinsk, which have little agriculture.

Thursday on how to distribute EC food. Soviet officials said they hoped the EC would supply meat, baby food, cooking oil, and milk powder, targeted at children, pensioners, handicapped, and those affected by ecological disasters around Chernobyl and the Aral Sea.

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## Shevardnadze redeems himself among Georgians

By Leyla Boulton in Moscow

IT is unlikely that Mr. Eduard Shevardnadze will be heading back home for a quiet retirement in his native Georgia. There he is known as the jailer of Georgia's current president, as the former leader of a party which has all but collapsed, and as the representative of Soviet power when independence is now the battle cry.

"There will be no grave for Shevardnadze in Georgia," was how Mrs. Gamsakhurdia put it in an interview before her husband, Zviad, was elected president with a landslide majority last month. "He is a traitor."

As local party boss for 13 years until he became foreign minister, Mr. Shevardnadze won his spurs in Georgia for anti-corruption, purges, resuscitating economic growth and combatting Georgian nationalism.

He even told the 26th Communist Party Congress in 1991 that for Georgia, the sun rises not in the East but in the north - in Russia - "the sun of Lenin's ideas."

A grandfatherly figure with a tired, kindly face - his grand-daughter has been seen strolling all around hand in hand with the US ambassador's secretary - Mr. Shevardnadze's respected international image has no currency at home.

But his resignation on Thursday in protest against "the offensive of dictatorship" has done more to boost the 62-year-old Communist's image back home than anything else he could have said or done.

While politicians in Moscow suddenly started referring to Mr. Shevardnadze as "typically Georgian" sense of honour, many of his compatriots may have decided he has redeemed himself.

"Gorbachev betrayed him. He left in good time," said Clara Abramia, a Georgian journalist in Moscow who has often professed deep admiration for the man. She believes Mr. Shevardnadze knew that President Gorbachev planned to remove him from the job of foreign minister, and propose him for a

vice-presidency which he did not want.

Mr. Teymuraz Stepanov, an aide, said that he believed that Mr. Shevardnadze would sooner or later return home even though he had no immediate plans to do so. "I can say his friends are more among the people than among groups," he said, acknowledging his lack of a political base in Georgia.

Indeed Georgia today is very different from the place Mr. Shevardnadze used to run as Moscow's man. Instead of a tightly-run communist fiefdom, it is now a powder-keg of political activity and nationalist feeling.

President Gamsakhurdia, sentenced to three years in jail for dissident activity under Mr. Shevardnadze's regime, has lost no time in trying to begin carrying out his promises of an independent Georgia. He has also been ruthless in dealing with internal ethnic problems.

Earlier this month, the newly-elected Georgian parliament simply abolished the troublesome autonomous region of South Ossetia when it proclaimed itself a republic. And it is precisely this sort of move, seen in Moscow as irresponsible, which fuels headline arguments for a crackdown on republics trying to break with Moscow.

Mr. Akaki Bakhradze, a pro-independence Georgian deputy at this week's Congress of People's Deputies, said Mr. Shevardnadze's departure was extremely worrying. "This means that there is going to be a dictatorship," he said. Mr. Akaki Bakhradze, a Lithuanian observer at the congress, was more phlegmatic. He said Mr. Shevardnadze's resignation was simply a logical consequence of the Soviet system.

"There is no such thing as socialism with a human face. It can only be socialism with a human mask and that mask is falling off," the Lithuanian said. "Shevardnadze sees it but he doesn't understand why. What he accomplished yesterday was political self-immolation. He's desperate but naive."

A FISTFIGHT among ethnic groups in an army battalion stationed in a gunbattalion that injured at least 21 soldiers, news reports said yesterday, AP reports from Moscow.

Fighting broke out Thursday among members of a railroad battalion stationed in Chop, on the Ukrainian border with Czechoslovakia, the Tass news agency said in a report based on local newspaper and the Ukrainian news agency.

"An inter-ethnic quarrel broke out among Armenian, Azerbaijani, Chechenian, Uzbek and Turkmen soldiers, who began shooting at each other," the Tass report said.

Tass, quoting the Ukrainian newspaper Holos, says Georgia said the fighting lasted several hours and that 21 soldiers were hospitalized "with grave injuries", including nine with gunshot wounds. It said several officers were also wounded in the shoot-out.

The independent news agency Interfax said at least 100 soldiers were involved in the brawl. It said most of the injuries occurred when a guard unit accompanying an officer trying to break up the fight opened fire.

Tass said: "The men of the guard squad acted efficiently in night-time conditions and shot only at the legs of attackers in order not to kill them."

Interfax said the military procurator in the Ukraine has ordered an investigation.

## 21 soldiers hurt in ethnic fight

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INTERNATIONAL NEWS

# EC speeds up plans to phase out use of CFCs

By David Gardner in Brussels

THE European Community yesterday speeded up its plans to phase out the use and production of ozone layer-depleting chlorofluorocarbons (CFCs).

It also approved a tax incentive scheme to accelerate the introduction of more advanced catalytic converters in cars than the ones which late Thursday night it bound member states to start using by 1992.

Environment ministers agreed unanimously to cut by 85 per cent the amount of CFCs produced within Community borders by July 1, 1995, and to phase them out altogether by mid-1997.

This is 2½ years ahead of the date to which the EC committed itself under the so-called Montreal Protocol, which was affirmed at June's environment summit in London. Ministers also mandated

the European Commission to examine interim taxes on CFCs - chemicals widely used in cleaning products, refrigeration and air conditioning - to inhibit their use even more quickly.

There will be temporary exemptions for medical aerosols which need CFCs, such as asthma inhalers. Related products with even greater ozone depletion potential like carbon tetrachloride will also be phased out, except as a controlled feedstock for CFC substitutes.

Mr Carlo Ripa di Meana, EC Environment Commissioner, beaming in bright green-rimmed spectacles, said: "We sincerely hope Japan and the US will be able to go along with us on this." The US, in particular, has made clear that it has difficulties in meeting the original CFC commitments of the Montreal Protocol.

The new car emission standards agreed by the ministers, by contrast, are an attempt to catch up with, and eventually surpass, current US standards.

All new cars will have to be fitted with three-way catalytic converters by January 1, 1993, while new models will have to comply five months earlier.

This will reduce average car pollutant emissions - such as carbon monoxide and oxides of nitrogen - by about three quarters.

Ministers had been unable to agree this measure at a late-night council in October.

Yet in a display of green Yuletide unanimity, they yesterday strengthened it significantly by agreeing on tax incentives from 1994. This will enable the Community to progress more quickly to the even stricter standards due to be brought in two years later.

# French trade deficit narrows

By William Dawkins in Paris

FRANCE's foreign trade deficit beat market expectations to narrow sharply for the second month running in November.

Last month's seasonally adjusted trade gap of FF8.7bn (€1.4m) compares with the FF9.7bn published in October, according to provisional figures released by French customs yesterday. This brings the shortfall for the first 11 months of the year to FF39.8bn, slightly lower than the FF41.6bn in 1989.

November's improvement is a sign of the slowdown in the French economy, shown in a drop in demand for imported goods, but also reflects the nat-

ural irregularity of French industrial trade, said Mr Robin Hubbard, chief economist for Paribas Capital Markets Group.

He estimates that the underlying trend is still for a FF10bn to FF15bn monthly trade deficit, indicating that the full year shortfall could come out at around FF45bn, slightly more than last year's FF43bn.

"Given the increase in oil prices, that is a reasonable performance," he said.

Exports fell 1.6 per cent in November to FF100.2bn, from FF102bn the previous month, while imports dropped more sharply, by 7.3 per cent to

FF100.8bn from FF108.8bn in October. The November industrial account was almost in balance, with a small deficit of FF181m, as against the FF4.3bn industrial deficit of the previous month. France's surplus on sales of defence equipment rose from FF2.7bn to FF3.9bn.

The deficit with the rest of the European Community fell to FF1.3bn last month, which compares with the FF3.8bn average for the previous 12 months, while its trade shortfall with the US was FF2.8bn, a decline on October but more or less in line with the FF2.6bn 12-month average.

# Italian set for senior EBRD post

By John Wyles in Rome and George Graham in Paris

MR Mario Sarcinelli, director general of the Italian Treasury and a leading expert on international monetary issues, is set to become one of the two deputy presidents of the European Bank for Reconstruction and Development (EBRD).

Italy has been lobbying for several months for one of the deputy presidencies although the nomination of Mr Sarcinelli has taken many in Rome by surprise. He himself seemed a little taken aback yesterday.

His decision to move to the EBRD, which he is expected to join on March 1, may well have been influenced by recent clashes with top ministers over the insurance of L5,000bn (€2.2bn) of credits to the Soviet Union.

As chairman of the management committee of SACE, Italy's credits guarantee agency, Mr Sarcinelli was not prepared to go beyond 90 per cent cover of the credits, but was eventually instructed by the Treasury Minister, Mr Guido Carli, to grant 100 per cent.

Mr Sarcinelli's nomination will be put before the EBRD's shareholders by its president, Mr Jacques Attali.

# Time 'running out for peace' in Cambodia

By George Graham and John Pedler in Paris

MR Roland Dumas, France's foreign minister, yesterday issued a stern warning that time was running out in the search for peace in Cambodia.

He made the remarks as talks opened in Paris between the rival Cambodian factions.

The talks are intended to give new momentum to the peace plan proposed by the five permanent members of the United Nations Security Council, which would involve handing over broad powers to a transitional UN administration to implement a ceasefire and supervise free elections.

Yesterday's meeting involved the members of the Cambodian Supreme National Council, which brings together both the Phnom Penh govern-

ment of Mr Hun Sen and the resistance coalition of guerrilla movements (including the Khmer Rouge), as part of the UN peace plan.

But the rival factions have not yet agreed on the implementation of the plan. The Phnom Penh government, in particular, is unwilling to hand over such powers to the UN.

Mr Hun Sen, the Phnom Penh prime minister, said on his arrival that a UN role was necessary but should be strictly limited.

Mr Dumas warned that the international community could not be expected to concentrate on the war-torn country indefinitely; other priorities would call for attention.

# Marchais wins solid backing

By George Graham in Paris

FRANCE's Communists have voted to carry on regardless, with a solid display of confidence in Mr Georges Marchais, the 70-year-old hardliner who has been the party's secretary-general since 1972.

Dissent within the party has been rising steadily over the last year, but Mr Marchais has retained an iron control over the party's mechanisms and carried off last week's party con-

gress with scarcely a ripple of protest.

This was not quite the orchestrated performance of yesterday. Above all, the voting was not unanimous.

Of 1,585 delegates, only one voted against Mr Marchais's report although 16 abstained, including Mr Piterman and only three against policy resolution proposed by the central committee.

## NEWS IN BRIEF

### EC makes concession on farm trade

The European Community yesterday decided to grant the US a one-year extension of compensations for reduced export quotas into Spain and Portugal, avoiding a costly transatlantic trade war, AP reports from Brussels.

The 12 EC member states approved without much discussion the concession proposed by the Commission, which was aimed at averting US retaliatory measures.

Yesterday's temporary settlement froze for one year one of three farm disputes that currently mar trade relations between the two. The move was also expected to facilitate attempts aimed at getting the world trade talks going again.

### Embargo broken

The US embassy has given Bonn a list of 50 German companies suspected of breaking a UN embargo against Iraq, Reuters reports from Bonn.

Mr Dieter Vogel, the government spokesman, said the list was submitted this week, but gave no details on what products had allegedly been shipped to Iraq.

Mr Vogel said an initial check of the companies failed to uncover any evidence of violations of the UN embargo.

### Record harvests

There were record cereal harvests in many parts of the world in 1990, but famine still threatens parts of Africa, the head of the UN Food and Agriculture Organization said yesterday, AP reports from Rome.

"For the first time in four years, the world will produce more food than it consumes and can begin to replenish cereal stocks," said Mr Edouard Saouma, director-general, in his annual end-of-year speech.

### Currency curbs

The Yugoslav government has ordered banks to restrict sales of foreign currency temporarily to protect the country's hard currency reserves.

Mr Branko Zekan, the finance minister, said yesterday, Reuters reports from Belgrade.

He said the government also decided to limit Yugoslavs to taking a maximum of 1,000 marks (1500 dollars) out of the country. The moves followed a sharp increase in withdrawals of hard currency from banks.

### Romania remembers

Tens of thousands of Romanians poured onto the streets yesterday to commemorate victims of last December's revolution which toppled former President Nicolae Ceausescu, Reuters reports from Bucharest.

People packed the main squares in Bucharest, Timisoara and other towns to pay tribute to more than 1,000 victims of the bloodiest anti-Communist uprising in Eastern Europe.

The ceremony in Bucharest turned into anti-government protests as crowds in the city's University Square demanded the resignation of President Ion Iliescu and his ruling National Salvation Front (NSF) government.

A society in despair, Page 6



Thomas Pickering, the US ambassador to the UN votes for the resolution criticising Israel

### US 'succumbed to Arab pressure' says Israel

By Judy Meltz in Jerusalem

ISRAEL yesterday attacked the US for backing a UN Security Council resolution condemning Israeli policy towards Palestinians in the West Bank and Gaza.

But high-level officials said they were relieved the resolution made no mention of an international peace conference on the Middle East, which Israel staunchly opposes. The US agreed to a separate, non-binding statement calling for an eventual peace conference.

Mr David Levy, the foreign minister, accused the US of succumbing to pressures from

its Arab allies. "The American obsession is that if it would be objective and side with Israel, the coalition could start falling apart. We think otherwise, because those Arab states need America more than America needs them."

The UN resolution deplored Israel's resumption of deportations and called for steps to monitor Israeli policy in the West Bank and Gaza Strip.

Mr Levy said Israel would not agree to any such measures. "If something new is set up without Israel's agreement, it has no status."

# Iraq doctors steel themselves for fresh casualties

By Richard Tomkins in Basrah

A MONUMENT in front of the general hospital in Basrah, just 30 miles away from Iraq's border with Kuwait, tells how medical staff treated 54,481 casualties during the eight-year war with Iran.

Now they are refusing admission to non-urgent cases and clearing the wards to prepare for a further stream of casualties if another war breaks out on their doorstep.

Basrah, Iraq's second biggest city with a population of 1.3 million, suffered cruelly during the last Gulf war. Ever closer to the Iranian border than to Kuwait's, it found itself at the centre of the battle zone and came under severe bombardment.

For the resilience of its predominantly Shi'ite Muslim population was the more remarkable for the fact that they were standing fast for Iraq's Sunni rulers against their Shi'ite cousins over the border.

When the war ended in 1978, President Saddam of Iraq rewarded Basrah by embarking on a programme of reconstruction. Its fruits are visible today in a smattering of newly-built low-rise apartment blocks, industrial estates, expressways, shopping centres and mosques.

The work, however, is far from complete: and now it has

been cut short by a crisis which, ironically, has thrust Basrah once again into the front line of possible conflict - this time facing south instead of east.

If the people of Basrah are despondent about this, they were wearing it well yesterday. Shoppers thronged the well-stocked souks and families enjoying the Friday holiday rented pleasure boats by the hour for trips up and down the Shatt al-Arab.

Under the approving eye of Information Ministry officials, the citizens gave their unanimous view that Kuwait was irrevocably part of Iraq, even if it meant going to war.

"Look at the people around you," said a 23-year-old school-teacher. "Does it look as though people are afraid? After eight years of war with Iran there is nothing left for us to fear."

The greater test of Basrah's allegiance, however, may come not with the present threat of war but with whatever follows.

Like all Iraqis, the people of Basrah are suffering financial hardship, even before any conflict, from rising prices caused by economic sanctions. Another war which left their sacrifices unrewarded could test their loyalty, as well as their city, to destruction.

# Japan electronics groups see slower growth in 1991

By Robert Thomson in Tokyo

THE JAPANESE electronics industry expects that a slowdown in international economic growth and the uncertainty created by the Gulf crisis will mean a modest 6.7 per cent increase in total production value next year.

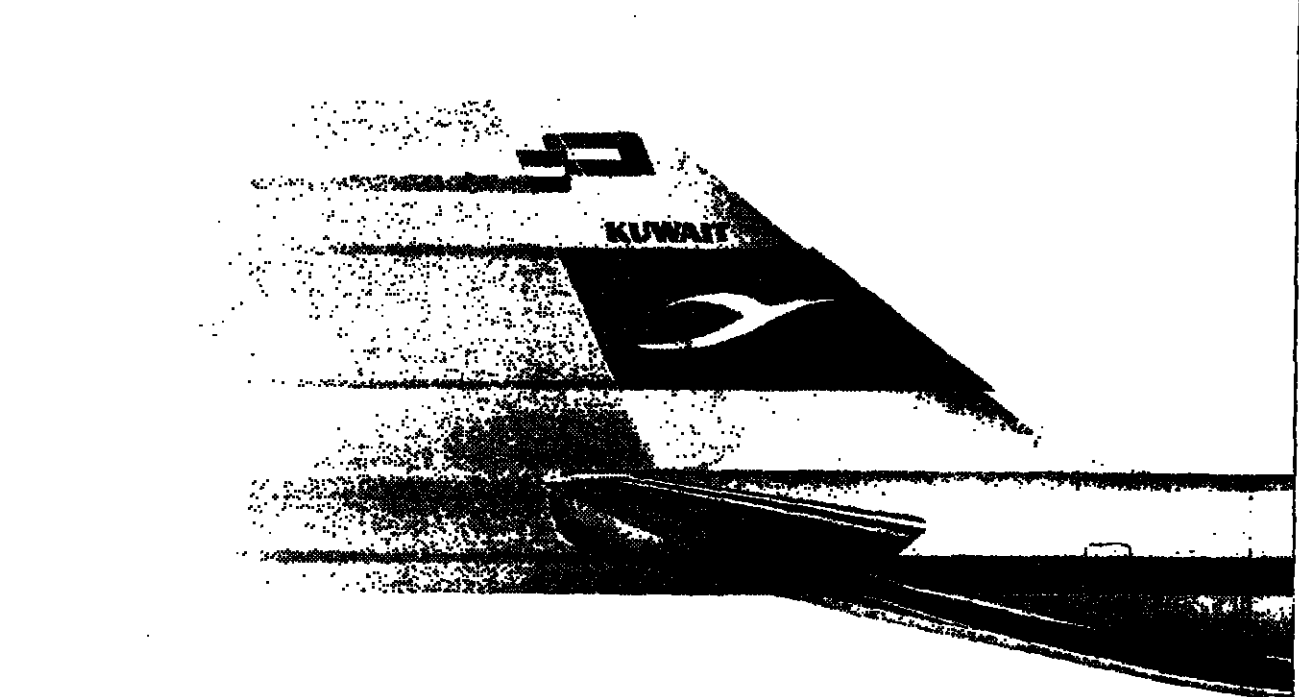
An annual forecast released yesterday by the Electronic Industries Association of Japan (EIAJ) suggested production growth will be higher than the 4.6 per cent estimated for 1990, market conditions are turning less favourable.

The EIAJ expects 3 per cent

growth in production of consumer electronic equipment (compared to 3.8 per cent this year), 7.6 per cent growth in industrial electronic equipment (4.3 per cent), and 7.4 per cent growth in components and devices (5.5 per cent).

The association expects that strong domestic demand will provide a firm base for consumer electronics sales, but that "the effect of a dwindling teenage population in Japan will likely prevent a recovery in audio equipment production."

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# Thais turn on to festive profits

Paul Taylor samples Christmas where Santa rides an elephant

I WAS doing quite well, suspending reality. That was until Santa Claus rode into my youngest daughter's kindergarten Christmas pageant on the back of an elephant.

It wasn't the elephant that was out of place - at the right time of year you can see them being led down Sukhumvit Road in central Bangkok - it was Santa. It was 27C outside his red and white suit, and a lot hotter inside.

Santas have a hard time in Bangkok. The brave chap who visited the kids at the Foreign Correspondent's Club of Thailand had to enter the party room on the 22nd floor atop the Dusit Thani hotel from the balcony. There is a dire shortage of chimneys in Thailand - but not apparently Santas.

Christmas trees fare little better. A "real" Christmas tree costs baht2,300 (€45) and upwards. They are star prizes in Christmas raffles for the "farangs" (foreigners). But even then they are not quite the familiar fir from northern Europe or North America.

These are tropical Christmas trees, and if clothing were to equate to needles they have taken off far more than any half-way decent "farang" would ever dare in the Buddhist country of 65m people - except perhaps in the upstairs rooms of the bars of infamous Patpong.

The big - and as an ex-resident of both London and New York I do mean BIG - depart-

ment stores in Bangkok (which are mostly Japanese owned) all vie with each other for the brightest Christmas lights, and the biggest Christmas tree.

I'm not sure which store won this year - and it probably does not matter. In a country where corruption is the major and petty endemic I am pretty certain any tape measure would have been "doctored" anyway.

I do know that a not-so-friendly gun-packing policeman on Petchburi Road already got his "Christmas Box". In the space of two minutes seconds he collected baht 200 (slightly less than a tenth of his monthly wage) from two unfortunate cars which went down the road at 12.05pm - at noon the lane directions had changed - to avoid another of Bangkok's notorious two hour traffic jams. But at least he seemed happy with the baht 100 both drivers handed over with their licences - and the "tea money" was cheaper than the otherwise obligatory baht 500 fine.

The "leglets" (small lizards which are being imported and sold to East Side New Yorkers for \$20 a piece under the misapprehension that they eat roaches) are also having a good Christmas. It is dry here and the flies are out in force. Who said there is no such thing as a free Christmas dinner?

Tropical Christmas is a special experience. It seems

odd that the tinsel on our (artificial) Christmas tree should be made of plastic and vinyl, the up current created by a log fire, but because the air conditioning is on full blast.

It also seems strange that in Thailand where 85 per cent of the population are Buddhists - and less than one per cent are Christians, that Christmas should be marked at all. On Christmas Day the shops, government offices and the otherwise deeply depressed stock exchange will be open. But in booming Bangkok entrepreneurial citizens do not miss any chance to make a buck, a yen or even a pound sterling.

This year the country's GNP will rise by a conservative 9.35 per cent following two years of double digit real economic growth and consumer spending, and debt has been rising even faster. Sure a slowdown is coming - but there are few signs of it yet.

Even if there were it is unlikely it would make much difference. Like the rural farmers who have made millions selling out rice paddies to developers in the last few years - only to drink or gamble away the lot, Bangkokians have a robust attitude towards money.

As the figures show they don't save it, they spend it - on anything and everything. This Christmas the growing Thai middle classes are buying the kids Nintendo electronic

games while wives (or husbands) get Sony and other Japanese audio and video equipment and big foreign cars. Mercedes, BMWs and locally-assembled Volvos.

Meanwhile in a country where income distribution is becoming even more uneven the urban poor children will still be playing in dirt and absorbing up to three times the recognised international safety limits for pollutants like brain and kidney-damaging lead, exhaust fumes and other noxious substances.

My Christmas present to myself and my family was a German-made "black box" for the car which claims to take out 95 per cent of all air borne pollutants for the (sale) price of baht 4,500.

Tropical it may be but Christmas here, like most other places, religious apart, is just another excuse for department store sales, bontuses and hoopla. If the formula works on Regent Street in London, 5th Avenue in New York or Ginza in Tokyo why change it in Thailand. In Singapore's Orchard Road the department stores were playing Christmas carols in mid-November. Here at least they waited until December.

In Bangkok it is said East meets West. So Santa swapped his sleigh and reindeer for an elephant. If it makes money there are not many people here complaining.



UK NEWS

# Brokers' plan to boycott GA is ruled unlawful

By Richard Lapper

THE Restrictive Practices Court yesterday ruled that a proposed boycott by insurance brokers of General Accident is unlawful.

After a two-day hearing Mr Justice Warner granted an interim order prohibiting the implementation of the boycott to Sir Gordon Berrie, the director-general of fair trading.

He ruled that the boycott could not be shown to be in the public interest. The decision does not rule out a full hearing on the issue next year.

The Institute of Insurance Brokers, which represents about 20 per cent of the UK's 4,500 brokers, called for a boycott of the Perth-based insurer last month in protest at the company's refusal to end its agreements with motor manufacturers whereby they offered "free insurance" to buyers of new cars.

The association has argued that the free deals undermine road safety - by playing down the importance to car buyers of no-claims bonuses - and, in the long run, will make motor insurance more expensive.

OFT solicitors will now write to the 850-900 members of the brokers' association to tell them that the boycott is unlawful.

The brokers had been preparing to begin their boycott on January 1. Any brokers who take part in a boycott may be in contempt of court.

General Accident underwrote a package for Ford which ended in September, but has refused to give any undertaking that it will desist from writing similar schemes in future.

The company's enthusiasm for other direct sales methods has also angered brokers, who believe that the increasing popularity of telephone sales is losing them business.

A number of companies - including Royal Insurance, Royal Bank of Scotland and Commercial Union - are now selling both home and motor insurance policies over the telephone.

Because customers pay no commission to a broker or intermediary (usually between 10 per cent and 20 per cent of the premium) these policies are often cheaper.

General Accident's own GA-Direct scheme has grown rapidly since it was established in 1988 in Hamilton, Strathclyde. Mr Bill Jack, deputy general manager, believes that the company could eventually sell as much as 50 per cent of its homes and motor policies directly.

# Forecasters gloomy on economy in 1991

By Peter Norman, Economics Correspondent

ECONOMIC forecasters are taking an increasingly gloomy view of Britain's prospects next year, according to the Treasury's monthly survey of independent forecasters.

The average 1991 growth forecast culled from the published reports of 26 City and non-City institutions fell to 0.3 per cent this month from 0.7 per cent in November.

The forecasters' consensus is that British unemployment will increase to 2.6m by the final quarter of next year against expectations in November of an increase to 2m. That would compare with seasonally adjusted unemployment of 1.7m in September.

The government's financial position is also viewed with greater pessimism. The average expectation of the 26 forecasters is that the public-sector borrowing requirement will total £2bn in the financial year to the end of March 1992. A month ago, the consensus pointed to a PSBR in 1991-92 of only £200m.

The 14 City forecasters surveyed by the Treasury take a gloomier view of the economic outlook than the non-City institutions. The City consensus is that the economy will grow by only 0.1 per cent next year, with employment rising to 2.13m and the government deficit growing to £3.4bn in 1991-92.

The majority of the City forecasts were published during December whereas most of the non-City forecasts were drawn up in November. That was before the recent spate of gloomy statistics, indicating that Britain is in a deeper recession than previously thought.

The cyclical indicators of the UK economy published by the government yesterday suggest that the downturn in the economy still has some months to run.

The shorter leading index, which is supposed to indicate turning points in the economy six months in advance, continued to decline in October. The longer leading index, which is intended to indicate turning points about one year in advance, rose marginally in October, but showed little change overall since May.

# Judge orders seizure of Nigerian bank's funds

By Raymond Hughes, Law Courts Correspondent

A High Court judge yesterday ruled that a Nigerian bank was guilty of contempt of court and ordered seizure of any of its funds held in banks in England and Wales.

Mr Justice Pill made the sequestration order against Mercantile Bank of Nigeria on an application by Minerva Securities (CI), a Channel Islands company.

He was told that for eight years Minerva had been trying to enforce a \$1,254,977 (£658,000) judgment it obtained against Mercantile Bank of Nigeria in the Lagos state high court in December 1982.

The judgment was based on a 1978 letter of undertaking by the bank to pay that sum after 30 days in exchange for the release of shipping documents.

Minerva calculates that, with interest, the bank now owes it about \$2.75m.

The judge appointed sequestration commissioners because of Mercantile Bank of Nigeria's contempt of court in not complying with a High Court order made last month to disclose all its assets in the UK.

Mr Simon Mortimore, for Minerva Securities, said Mercantile had challenged the 1982 judgment through the Nigerian courts, and it had only been in February last year that the Nigerian Supreme Court had set aside an appeal court's ruling nullifying the judgment.

The bank, based in Calabar, Nigeria, was not represented in court. Its 1989 annual report stated that it had about £10m reserves overseas.

# More Heathrow talks likely

FURTHER talks between the US and UK Department of Transport in an attempt to settle the dispute over Heathrow landing rules are likely to take place early in the New Year, writes Michael Cassell.

It emerged yesterday after a third round of talks - aimed at revising the Bermuda 2 bilateral air service agreement between the two countries - that the UK has offered a further set of talks next month.

The Transport Department said however, that if the US agreed to further talks they would need to be provisional.

The UK government was still awaiting the outcome of a Civil Aviation Authority review of the air traffic distribution rules which prevent new airlines from operating into Heathrow.

# Festive divergence between Monet and money

Clay Harris delves into the good, the bad and the awful in this year's bountiful harvest of greetings

WHAT makes a good corporate Christmas card? Is it better to play safe with Breughel and Bellini, or should you whisper - or even shout - of commerce in your seasonal greetings?

The 1990 harvest reveals a sharp divergence between Monet and money, although J. Sainsbury, the supermarket chain, has it both ways with a Madonna of the Meadows which, it notes, will hang in the new Sainsbury wing of the National Gallery.

This subtle blending of God and Mammon is unusual. Realising their multi-cultural and multi-national audience, few companies these days send cards with Christian images. Those that do risk the reaction of one colleague, who said: "The crookedest broker I know sent me the most pious card."

It is not surprising, then, that many companies stick to historical views of the Thames and St Paul's or wintry pastoral landscapes - inoffensive images to anyone except bored recipients who have seen dozens of similar cards already.

If a company is going to the expense of sending hundreds of cards, it wants its offering to stand out among the ranks hanging from ribbons or taped to walls. Something out of the ordinary also shows that someone spent time thinking about it, rather than just choosing from a catalogue.

Sometimes this works, and sometimes it flops badly. Here are some of the winners, losers and others worth noting.

It is hard to top Japanese companies for distinctive and attractive designs, often incorporating traditional materials



Corporate Christmas: among the best and worst of company cards are (from left) the jewellery stores group Ratners with its witty line, the Post Office pushing a crude commercial message and the Savoy showing its sense of style

bell, a holly berry, Rudolph's nose, and so on.

● Ratners, Britain's largest jeweller, offers a bright homage to pop artist Roy Lichtenstein which shows a woman lamenting as she holds a telephone receiver: "So this is what he'd give me a ring at Christmas!" (She should complain. A ring from British Telecom might cost more than one from Ratners anyway.)

● The third is a traditional illustration of Christmas jollity, "Syncoating Savoy Christmas Classics", from the

Savoy Hotel group. It was drawn by Mr Julian Wontner, a graphic designer who also happens to be the son of the company's chairman, Sir Hugh Wontner. Inside, Julian also essays his own version of the Nightingale Song from Iolanthe, "with due deference" to W.S. Gilbert, an original Savoyard.

Although not as charming, Mercury Communications will catch ears with its "musical" card: open it and a telephone warbles.

Quirkiness helps. Henderson Unit Trust Management presents drawings of showjumpers

does you don't take Access? Ugly, tasteless and unfunny, but not the worst.

The lowest circle of Christmas card hell is reserved for senders of their own caricatures or photographs or self-promotional cards which cross the threshold of blasphemy.

Of the latter, the Christmas cake is taken this year by a card which displays a religious drawing with the caption: "A babe is born." The inside reveals, "born December 1990: Lancaster Kind, property consultants and valuers."

Valin Pollen, another PR firm, shows proof-reading marks on Bark the Herald Angels Sing, and the BBC press office proclaims: "And lo, in the west there was still the press office." The BBC card falls into another self-indulgent category: a photograph or drawing of head office. Other offenders are British Petroleum, Smith New Court and Barclays.

The National Bank of Kuwait can be forgiven for combining a picture of its headquarters with a "Free Kuwait" badge.

Usually, the commercialism is far more mundane. Motor vehicle groups, for example, routinely insert their latest models into cosy winter scenes.

Even the Financial Times cannot resist a product plug. After last year's FT hot air balloon, we are still aloft in 1990 with Father Christmas over the City. But, perhaps because he is paying too much attention to the FT, the reindeer are steering well away from our side of the Thames.

I hope no one reads anything into that.

# PO says 119m cards were posted on Monday

By John Authers

CHRISTMAS MAIL in the UK has reached a record level this year. By Christmas Eve the Royal Mail says it will have handled 1.5bn items in 24 days, 40m more than last year's record.

Sir Bryan Nicholson, chairman of the Post Office, said yesterday that the peak came on Monday, when 119m cards were posted.

The Post Office recruits 35,000 extra staff for Christmas in addition to the full-time workforce of 140,000.

More than 100 extra buildings were rented as sorting offices, and more than

2,000 extra vehicles were hired.

The transport system also felt the impact of Christmas yesterday, with the heaviest volumes expected today. Last night, however, the prospects for avoiding serious delays looked good.

Road traffic is likely to peak over the weekend, though yesterday saw more cars on the roads than had been expected.

Traffic levels are expected to be up to 40 per cent higher than on the average weekend.

The RAC warned that delays were likely at established congestion "black spots", but was optimistic that wider traffic misery could be avoided.

British Rail expects the heaviest traffic today, and advises passengers to book. Routes from London to the north-east, the north-west, Scotland, Wales and the West Country are expected to have up to 30 per cent more passengers than average. Extra services have been arranged on several routes.

Overcrowding in standard class carriages is being controlled on these routes by boarding passes, which are issued to passengers at the departing station. On some services, only passengers with reserved seats or boarding passes will be allowed on the train.

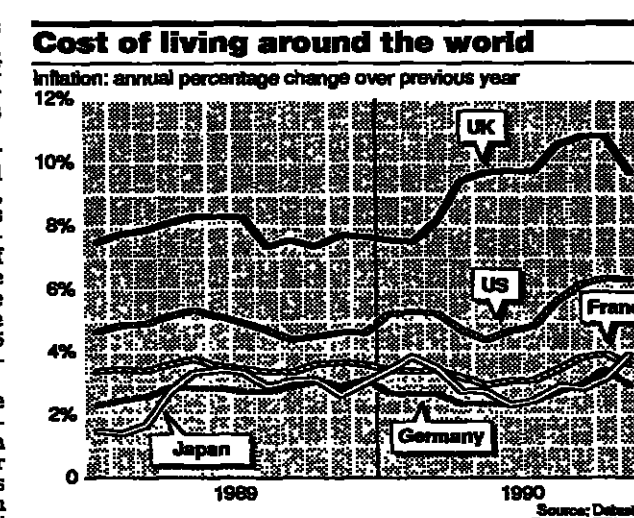
Traffic from Heathrow airport, London, reached a peak yesterday. The airport handled 130,000 passengers, 30 per cent more than usual. BAA, which owns Heathrow, said the increase in traffic had been expected and there had been no delays. Inland, both north and south, was one of the most popular destinations, and extra flights were arranged by British Airways.

# Englishmen abroad pay less for Christmas

John Authers looks beyond the inflated cost of seasonal celebrations at home

THE COST of Christmas this year in the UK, with its high rate of inflation, compares unfavourably with that in such countries as the US, France and Japan.

Christmas lunch at the River Room of London's Savoy Hotel on December 25 will cost £105, without wine. New York's Rainier Room, at the Doubletree Centre, and the Sign of the Dove on the fashionable East Side, reputed to be the best restaurants in town, serve Christmas dinner at only \$65 (\$29), excluding wine and service.



Even Paris is less expensive than London. Three-star restaurants charge between FF\$50 (\$51) and FF\$80 per head for dinner on Christmas Eve, which is when the French celebrate, though wine could cost almost as much again.

As in Paris, Christmas Eve is when celebrations peak in Tokyo, where the Japanese have been adapting to a new festival. In past years, young couples queued on Christmas Eve outside short-stay Love Hotels, but they have now taken their affections upstairs.

The done thing is a "romantic" dinner show at ¥38,000 (£148) a head at Tokyo's plush Akasaka Prince Hotel.

This is even more expensive than the Savoy, but alcohol and food are included, along with an evening of crooning from Mr Hiroshi Goto. There are two shows on the 24th - both are fully booked - and a "Romantic" shows at lesser hotels are about ¥25,000 to ¥30,000, depending on the artist and the menu. After the show, a suite at the hotel for the night costs ¥30,000 at the Akasaka Prince, already fully booked - or ¥20,000

upwards for quality elsewhere.

The £750-a-head, four-day Christmas package at the Ritz, London, includes a number of Yuletide extras: guests are met by carol singers; go to a pantomime on Christmas Eve; hear Midnight Mass at St James' Church, Piccadilly; eat roasted chestnuts; and go to see Arsenal at home on Boxing Day. Christmas stockings are provided in every room.

The Ritz in Paris, at the Place Vendôme, costs between FF\$195 and FF\$250 for the night, while the top-of-the-range Royalton Hotel in New York charges \$195 to \$295.

# Inquiry into rush-hour train incident

BRITISH RAIL has ordered an inquiry into an incident last week in which two packed rush-hour commuter trains came within 100ft of collision.

The incident happened two miles outside Liverpool Street station, London, when a train to Southend entered the same section of track as one for Shenfield. The Shenfield train was stationary and the Southend train pulled up just 100ft short of it.

BR said initial indications from on-train and signalling data recorder systems showed no mechanical or electrical failure. The internal inquiry findings will be sent to the Department of Transport.

The incident follows the reports into the Purley and Clapham rail crashes.

These recommended the installation of the Automatic Train Protection (ATP) system which overrides the driver's controls and brings the train to an automatic halt in cases of emergency.

# November deficit larger than expected

By Rachel Johnson, Economics Staff

CURRENT ACCOUNT (£bn)					
	Current Balance	Balance	Visible Trade	Exports	Imports
1989	-16.3	-21.1	80.8	101.9	+17.7
1990	-19.6	-23.8	82.8	116.8	+4.2
Oct 1	-4.5	-6.6	25.4	31.2	+1.8
Oct 2	-4.9	-6.2	26.1	31.3	+0.3
Oct 3	-3.5	-3.8	25.5	29.3	+0.2
Aug	-1.1	-1.2	5.5	9.7	+0.1
Sep	-0.7	-0.8	5.8	9.6	+0.1
Oct	-1.1	-1.1	5.7	9.8	0.0
Nov	-1.0	-1.0	5.8	6.8	0.0

THE NOVEMBER current account deficit of £971m, announced yesterday by the Central Statistical Office, widens the UK trade gap to almost £15bn this year.

The deficit, which is larger than expected, increases the chances that the government will overrule its forecast made only last month, of a deficit totalling £15.5bn for 1990. The 1989 figure was £19.6bn.

The Treasury will now meet its projection only if December's deficit is half the size of last month's and half the monthly average for this year.

Additionally, the figures are unrevised and assume a balance of zero on invisible trade - services such as banking, insurance and tourism and some financial flows including profits and dividends.

Trade in generic items, which includes ships, aircraft and precious stones, was little changed on the month, although imports fell by £200m in the three months to November. The slowing of import growth during the same period could also be observed in non-

oil trade, which fell by £1.7bn. Reduced imports have been apparent since July. The UK's current account position has improved as high interest rates have eaten into domestic demand and forced manufacturers to switch production towards more buoyant overseas markets.

Yesterday's figures appear to show the switch continuing to operate with success, even though the UK has joined the exchange rate mechanism at a rate which requires the government to maintain a strong

pound. The Confederation of British Industry said yesterday that people had complained about the high exchange rate but the figures "showed exports holding up reasonably well".

The volume of exports excluding oil and erratic items, the Treasury's preferred guide to trade performance, was 3 per cent higher than in the previous three months and 6.5 per cent higher than a year earlier. On the same basis, the volume of imports was down 1/2 per cent in the three months to

November but 1/2 per cent higher than a year earlier.

The figures appear to show that sterling's rate is not crippling export volumes to the extent that industry had feared.

However, the Treasury as usual expressed caution about reading too much into one month's figures so soon after joining the ERM.

The CBI pointed out that the pound could still bite into competitiveness and urged another cut in interest rates.

The government has said that it will not cut interest rates until sterling's ERM position justifies an easing of monetary policy.

Mr Alexander Carlile, the Liberal Democrat trade spokesman, said that the government had claimed that the trade deficit was merely a problem of too much consumer buying.

"Yet after 2 1/2 years of penal interest rates, after months of deadly silence in the high street and six months in a full blown recession, the monthly trade figures still show Britain in the red," he said.

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Interest Rate: 14.1875% per annum

Interest Period: 21 December 1990 to 21 March 1991

Interest Amount per £50,000 Note due 21.3.91: £174.91

Interest Amount per £50,000 Note due 21.3.91: £1,749.14

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## UK NEWS

# Sir Geoffrey Owen: the safest pair of hands

Nicholas Colchester looks back at the career of the Financial Times editor who left the paper yesterday

IN 1958 the young future editor of the Financial Times took the Australian tennis star, Ashley Cooper, to four sets on Wimbledon's Centre Court. "Unknown Owen makes Clump of Champ," said the News Chronicle.

It was a perfect British occasion: the sports writer celebrating defeat as victory, following a youthful performance which combined exuberance with that peculiarly British brand of reserve which recoils from displays of emotion and the cult of personality. True Brits of this kind have a way of getting on with the job in hand - whatever that happens to be - courteously, determinedly and with calm good humour.

These qualities do not leap to mind when the talk turns to Fleet Street's great editors. Sir Geoffrey Owen, who left the FT yesterday, is a misfit among them. He has never shown any desire to build a fief or to indulge powerful whims, though the newspaper offered him a splendid platform to do both. He has no special gift with words. He has firm views on only a few specific themes. He somehow contrived, for several years, to forget to submit his entry form for Who's Who.

When the Financial Times moved into new offices in 1989 he had to be coaxed into his large room overlooking the Thames. A video of the film All the President's Men had persuaded him that, like that hard-driving chap on the Washington Post, a real editor ought to sit in a glass booth in the news room.

The fruits of such self-effacement speak for themselves. In the period of his editorship, circulation has climbed from 158,000 to 192,000 in the UK, and from 41,000 to more than 100,000 in the international market. The paper is now printed outside the UK in Germany, France, the US and Japan, and profits have climbed from under £2m to £27m.

During Owen's 10-year editorship, the Financial Times put itself almost beyond challenge as the paper of record on European business, finance and government. Its pages became an international forum for debate on economic issues, to which powerful people submit their views in letters and articles. It also became popularly accepted as a symbol of quality and wealth. A folded FT crops up in many



Sir Geoffrey Owen: appointed to the staff of the Financial Times by Sir Gordon Newton in 1958, he succeeded Fredy Fisher as editor in 1980

advertisements nowadays, bestowing quality-by-association on the airline or automobile of choice.

How did mild-mannered Geoff Owen do it? First, he was that unfashionable thing in western industry: a manager devoted to his product. He radiated a conviction that the newspaper - shaped by Sir Gordon Newton and handed on to him, internationalised, by Fredy Fisher - was bigger

than him and all his staff. He served it rather than drove it, padding around its offices with creaseless trousers, tousled hair and shirt hanging out, like the devoted mechanic of a marine engine. When he praised journalists - which he did only rarely - he did not hand down the praise from on high, but tended to appear alongside with a complicitous grin that implied "very good for the paper

that we've managed to get this in". Second - and this was a big gift - he hired and gave free rein to talented people whom he was utterly unlike and with whom he often disagreed.

He did this to compensate for what he saw as his own shortcomings. Often uncertain, he hired Mr Certitude. Sober in style, he promoted Mr Flash. Mainstream liberal, he encouraged Mr Contrary View. He took their work and vetted it not for opinion, but for temperateness and accuracy. As a result the FT became a market-place for quality-controlled ideas, a sort of Chinese wall on which many points of view could be posted, provided they were not, as he would say, "over the top".

Third, he was imbued with the spirit of the paper by the man who hired him in 1958, Sir Gordon Newton. Newton never much went for strategy; he developed the FT through continuous, experimental ad hocery. Geoff Owen did the same, and so finds it hard to list the changes he has made to it. He knows he made the editorials less grey and more assertive: "fewer pot-boilers about the German economy", as he puts it. He made the paper more appealing to the non-devotee: "clearly, with long-running, dispersed, on which his predecessors' internationalisation of the product, putting timely emphasis on Japan early in the decade and not faltering in coverage of the European Community, in spite of its dreariness during his early years as editor."

The other Newtonian trait he inherited was "down-to-earthness", not being too highbrow, never forgetting the chap on the train from Surbiton, and all that sort of thing. And he held the paper in its niche: it is a business paper, not all things to all readers.

He was certainly lucky. His decade was almost exactly that of Mrs Thatcher, and the changes she wrought hugely helped the FT. The financial deregulation that began with the scrapping of Britain's exchange controls and went on through the City of London's "Big Bang" gave the FT a booming parish. The great European crisis, which Mrs Thatcher pushed for, did much for continental readership and advertising. Above all, Geoff Owen recognises that "the paper owes an enormous debt to the Wapping revolution [Rupert

Murdoch's showdown with the British printing unions], which could not have occurred under a different government".

Yet he, and the FT under him, were never "one of us" with Mrs Thatcher - for selective Thatcherism was not an offer in Downing Street. Geoff Owen always mistrusted excessive certainty - especially of the ideological or bullying sort. There had to be room for reasoned doubt, pragmatism and compassion.

These instincts showed clearly during the Falklands war, when he counted unpolarisingly with many British readers by pursuing a long way short of "jingoism". Nor could he work up much enthusiasm for unbridled financial markets and their works. He mistrusted people who made their money by trading companies rather than building them up.

He was Thatcherite, though, in the area where he held his strongest views and most reliable writing editorial: industrial policy. Between 1987 and 1989, he worked at the Industrial Reorganisation Corporation (IRC) - an invention of the Labour government whose mission was to "bring the long way short of jingoism". He was a strong supporter of the IRC's work, and a study of the paper-making industry in particular, convinced him that the notion was doomed, that mergers were devilish hard to get right and that bracing competition is the only medicine. Hence regular editorials urging improbable purity in competition policy, and an effective FT campaign against the EC's misuse of anti-dumping policy. Hence, too, the rigours in store for any FT writer who unwisely volunteered to write about papermaking, steel or the motor industry, three topics where the Owen free rein was not on offer.

Geoff Owen ponders today whether he might not have mixed in with Mrs Thatcher and her ministers more, "to be better informed". He would not have been Geoff Owen had he done so. When lunches for powerful guests at the FT reached the chair, it was to Geoff Owen that they were starting to inch at his napkin and inching his chair backwards like a boy anxious to get back to his electric train. Small-talk was not his forte. Once in the early 1980s,

surrounded in Paris by a voluble group of French industrialists telling him of their country's predicament, he was asked for the FT's view on the French outlook. "Worse," he said, and that was it. Geoff Owen the power-broking socialist is as unlikely a vision as Lord Copper in a green eyeshade.

Yet this unassuming figure inspired his staff. He did not drive them or instil fear in them (he fired almost nobody in his decade as editor). But his big, even-featured presence came to embody the needs and standards of the paper. Colleagues at the IRC recall gravitating towards Geoff Owen's office for talk without knowing why he exercised this pull on them. So too at the FT, where his "open door" approach was at times comic, with one journalist discussing his next posting, while Owen read the leader of another, glancing meanwhile at proofs proffered over his shoulder by a third. Approval was a curt "fine". Disapproval was a look of pained puzzlement that needed no words: the newspaper was not amused. This guardianship went unchallenged mainly because, in the words of one of his staff, "the man is riddled with integrity".

Geoffrey Owen said in 1989 that he would do between five and 10 years as editor. So now he is going, convinced that editors who overstay their welcome harm their newspapers, and because the job is an exhausting one.

He is to work at the London School of Economics where he will start a business policy unit in the school's Centre for Economic Performance. There he will look into different aspects of Britain's competitiveness, while writing a post-war history of industrial Britain.

One can already imagine some of the features of this bleak tale. Technological complacency, wrong-headed mergers, a home-market mentality, ephemeral successes and lack of commitment to a business. For, as Geoffrey Owen wrote in the FT's first management page in 1987, "if there is any management principle which has some claim to universal validity, it is that the business must be profitable".

Happily for the Financial Times, tennis did not count.

Nicholas Colchester is deputy editor of The Economist

## Judge says men knew they were laundering money

By Raymond Hughes, Law Courts Correspondent

AN Isle of Man accountant and his employee have failed to overturn a High Court judge's finding that they assisted in a systematic fraud on a subsidiary of Agip, the Italian oil company.

The Court of Appeal yesterday dismissed an appeal against a judgment in May last year that Mr Barry Jackson and Mr Edward Bowers, partners in Jackson & Co, and Mr Ian Griffin were liable to pay a total of \$518,822 (£271,990) to Agip (Africa). Mr Bowers had been held "vicariously" liable for the acts of the other two.

The money was the last of a series of payments diverted from Agip (Africa) before the discovery that during many years the company had been defrauded out of millions of dollars by its chief accountant, who had altered the names of payees on payment orders after they had been signed.

Lord Justice Fox said Mr Jackson and Mr Griffin "must have known they were laundering money" and helping to conceal "dispositions of money which had such a degree of impropriety that neither they nor their clients could afford to have them disclosed".

In the two years from early 1983, more than \$10.5m had been diverted to companies in England of which Mr Jackson and Mr Griffin had been directors. Most of it had then gone to a French jewellery company of which Mr Jackson was sole director.

Lord Justice Fox said Mr Jackson and Mr Griffin must have assisted in the fraud. They had known the origin and destination of the money and there had been nothing to suggest any commercial reason why an oil company operating in Tunisia should be paying such sums to a French jewel-

ler. The striking feature, the judge said, was that a solicitor's letter to Mr Jackson in August 1984 showed that the question of fraud was being considered, and that anxiety was felt that Agip might get access to bank records.

"Why were Mr Jackson and Mr Griffin concerned about what Agip might discover?" Lord Justice Fox asked. "If there were doubts about fraud, why could they not get in touch with Agip themselves and disclose what they knew?"

"It is, of course, possible that they were honest men and that there are facts which we do not know which could demonstrate that."

"But, if so, they could have explained their position to the witness box. They did not do so. One can only infer that they were not prepared to submit their activities to critical examination."

## MacGregor loses case on grants

THE government's decision to withdraw grants from architecture students studying for their Part Two examinations was yesterday ruled unlawful by the High Court in London.

Mr John MacGregor, former education secretary, had used a legally incorrect approach when he withdrew mandatory grants and introduced funding through a bursary scheme from the start of the current academic year.

### Breach of patent

HOOVER, the US-owned home appliances group, infringed a UK competitor's patent in producing cleaning heads for its Aquamaster vacuum cleaner, the Patents Court has ruled.

Hoover will have to pay damages, to be assessed later, to Vax Appliances. Vax, based at Droghda, Hereford and Worcester, estimated that Hoover produced at least 200,000 of the units.

Unless altered on appeal, the findings mean it is an infringement for anyone to sell the Aquamaster fitting with cleaning heads made before 1990.

### BT pay increases

BRITISH TELECOM has agreed a 10.1 per cent pay rise with the Society of Telecommunications, the union which represents about 30,000 BT middle managers. The increase takes effect from January 1. The increase does not apply to about 10 per cent of BT's middle managers who are now on individual contracts.

### Submarine accident

THE submarine which apparently sank the trawler Antares, killing her crew of four, realised she had hit the gear of a fishing boat, according to a preliminary report yesterday from the Department of Transport's marine accident investigation branch. She mistakenly thought the gear belonged to another, undamaged vessel. It was only when Antares was reported overdue and wreckage was found that her fate became known.

### Water case delay

THE trial of the South West Water Authority on a charge of causing a public nuisance has been adjourned at Exeter Crown Court until January 7 when the defence case is expected to start.

It is alleged that in July 1988 the authority supplied water which contained aluminium sulphate in such quantities as to endanger public health or comfort.

### Aid for homeless

An extra £2m is to be provided by the government to combat homelessness in Glasgow, Aberdeen and Edinburgh.

## Go-ahead for homes on Dorset heath

PLANS TO build up to 200 houses on 17 acres of Dorset heath were yesterday given the go-ahead by the High Court in London. The heath is classed as a site for special scientific interest and is a breeding ground for some of Britain's rarest wildlife.

Mr Justice Schiemann dismissed a request by the British Herpetological Society and the World Wide Fund for Nature for judicial review of Poole borough council's decision to grant planning permission for the houses on Canford Heath.

In a ruling which environmentalists fear will make it easier for councils to build on some of Britain's protected landscapes, the judge upheld the council's decision to grant permission. He said Poole had "grappled" with the rival demands of conservation and housing. The balance it had struck was "lawful".

The judge awarded the council its legal costs, estimated at about £40,000. The council said it would press ahead with plans to build the houses.

It said it had taken its decision with care and had considered conservation issues. It had taken steps to protect the remains of the heathland by imposing conditions over access.

In his judgment Mr Justice Schiemann said although planning authorities - in common with many other public bodies - were obliged to give reasons for refusing applications, they did not have to do so if they acceded to applications and granted permission.

That made it difficult to impugn such decisions. It may be that parliament's desire was that the implementation of positive decisions should not be held up on the ground that there had been defective reasoning, said the judge.

## Yorkshire Ripper's wife loses libel claim

MRS SONIA SUTCLIFFE yesterday lost her claim for libel damages over a newspaper article. It alleged that she had an affair with a man who was the "splitting image" of her husband, Mr Peter Sutcliffe, the "Yorkshire Ripper" multiple murderer.

A High Court jury ruled that Mrs Sutcliffe, 30, of Bradford, West Yorkshire, had not been defamed by the News of the World. She faces a costs bill for the 15-day hearing unofficially estimated at £300,000.

The article stated that Mrs Sutcliffe had an affair in Greece with a man from whom she kept her marriage a secret. Mrs Sutcliffe was in the witness box for six days, denied the affair and said she had not had any romantic feelings towards the man. She complained that the story meant she had deceived him.

In his cross-examination, Mr George Carman, QC, accused Mrs Sutcliffe of lying in the trial, and in her earlier case against the satirical magazine Private Eye, in an attempt to

obtain maximum damages. He said she had courted the press when it had suited her for financial gain. She denied the accusations.

Mrs Sutcliffe had sued Private Eye over an allegation that she made a £250,000 deal with the Daily Mail to sell her story. The basis of her case was that she had never been involved in dealings with the press for money in that way.

During the hearing, Mr Carman itemised £234,000 damages Mrs Sutcliffe had so far obtained from the press in actions for libel and breach of copyright. They were: £5,000 from the Bradford Telegraph and Argus in June 1983; £26,000 from the Yorkshire Post in November 1988; another £7,500 from the same paper the following May; £100,000 and £60,000 from Private Eye in October 1988; £25,000 from the Daily Star in November and December 1988; £75,000 from the Daily Express in the same months; and £26,500 from News Group Newspapers in September this year.

## Under-fives require more services, study concludes

By Norma Cohen, Education Correspondent

THE government must expand provision for children under five, a government-sponsored study has concluded.

"We would urge those who make provision to recognize the extent to which demand outstrips supply, and to secure a continuing expansion of high-quality services to meet children's and their parents' needs," said the committee on the quality of educational experience offered to children aged three and four.

The committee was headed by Mrs Angela Rumbold, a former education minister, who is now the government's adviser on women's issues. The Labour party has said that it would make nursery places available to all children aged three and four whose parents seek it.

The report concluded that there is an urgent need to raise the quality of many existing facilities. It said staff working with under-fives should be appropriately trained.

## ACCEPTANCE FORMS MUST BE SENT TO THE CHIEF REGISTRAR, BANK OF ENGLAND, COVENTRY STREET, LONDON, EC2R 8JN, TO ARRIVE NOT LATER THAN 12.30 P.M. ON FRIDAY, 18TH JANUARY 1991. OR LODGED AT THE CENTRAL GILTS OFFICE, BANK OF ENGLAND, 1 BANK BUILDINGS, PRINCES STREET, LONDON, EC2R 8JN, NOT LATER THAN 12.30 P.M. ON FRIDAY, 18TH JANUARY 1991; OR LODGED AT ANY OF THE BRANCHES OR AGENCIES OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON THURSDAY, 17TH JANUARY 1991.

### OFFER OF CONVERSION TO HOLDERS OF 13 1/2 PER CENT TREASURY STOCK, 2000-2003 TO CONVERT INTO 13 PER CENT TREASURY STOCK, 2000

Application will be made to the Council of The International Stock Exchange for 13 1/2 per cent Treasury Stock, 2000-2003 to be converted into 13 per cent Treasury Stock, 2000-2003.

1. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to invite holders of 13 1/2 per cent Treasury Stock, 2000-2003 to convert all or part of their holdings into 13 per cent Treasury Stock, 2000-2003 on 25th January 1991 at the rate of £103.55 nominal of 13 per cent Treasury Stock, 2000-2003 per £100 nominal of 13 1/2 per cent Treasury Stock, 2000-2003.

2. Holders who do not wish to convert any part of their holding should do nothing.

3. Registered holders of 13 1/2 per cent Treasury Stock, 2000-2003 at the close of business on 21st December 1990 who exercise the option to convert on 25th January 1991 will receive the interest payment due on 25th January 1991. Interest at the rate of £3.0848 per £100 nominal of 13 per cent Treasury Stock, 2000-2003 will be paid as on 14th July 1991 in respect of Stock issued as a result of the conversion.

4. Conversion will be into registered stock of 13 per cent Treasury Stock, 2000-2003, subject to the provisions contained in this notice, will rank equally in all respects with Stock already issued and will be subject to the provisions of the prospectus dated 20th June 1990. Holdings of 13 1/2 per cent Treasury Stock, 2000-2003 in respect of which the conversion option is exercised will be surrendered free from all liens, charges and encumbrances and with all the rights now or hereafter attaching to them except the right to receive the interest payment due on 25th January 1991.

### Method of acceptance

5. Copies of this notice and acceptance forms for completion are being sent by post to holders of 13 1/2 per cent Treasury Stock, 2000-2003, at the Bank of England, Bank of Ireland, Belfast, Registrar, in the case of joint accounts, the forms are being sent to the first-named holder. Holders who wish to convert all or part of their holdings should complete the acceptance form. Stock resulting from this conversion will, if the account details are identical, be added to existing holdings of 13 per cent Treasury Stock, 2000-2003.

6. In the case of stockholders who are not members of the Central Gilt Office (CGO) Service, completed acceptance forms with stock certificates must be sent to the Chief Registrar, Bank of England (Conversions), PO Box 444, Gloucester, GL1 1NP; or arrive not later than 12.30 P.M. ON FRIDAY, 18TH JANUARY 1991; or lodged at the Central Gilt Office, Bank of England, 1 Bank Buildings, Princes Street, London, EC2R 8JN, not later than 12.30 P.M. ON FRIDAY, 18TH JANUARY 1991; or lodged at any of the Branches or Agencies of the Bank of England not later than 3.30 P.M. ON THURSDAY, 17TH JANUARY 1991. The Bank of England will acknowledge receipt of acceptance forms.

7. In the case of stockholders who are members of the CGO Service, completed acceptance forms must be lodged at the Central Gilt Office, Bank of England, 1 Bank Buildings, Princes Street, London, EC2R 8JN not later than 12.30 P.M. ON FRIDAY, 18TH JANUARY 1991.

8. Copies of this notice and National Savings acceptance forms for completion are being sent to holders of 13 1/2 per cent Treasury Stock, 2000-2003 on the National Savings Stock Register. Holders who wish to convert all or part of their holdings should complete the acceptance form and send it with investment certificates for at least the amount of Stock specified on the acceptance form to the Bonds and Stock Office, Mythop Road, Blackpool, FY3 9TP; or arrive not later than 12.30 P.M. ON FRIDAY, 18TH JANUARY 1991.

9. If a holder wishes to convert but cannot obtain an essential signature or document by 18th January 1991, the acceptance form, completed so far as possible, should be lodged in accordance with paragraphs 6 or 7 above, accompanied by a letter from a bank, solicitor or other professional person giving the reason for the acceptance form being incomplete and undertaking to put it in order as soon as possible; it may then be possible to give effect to the acceptance. If there is insufficient time for the acceptance form to be lodged before the close of the offer, the holder may notify acceptance by facsimile fax number 0452 338077 or 0452 338013 quoting brief particulars to identify the account and specifying the amount of 13 1/2 per cent Treasury Stock, 2000-2003 to be converted; this should be followed without delay by a completed acceptance form and the certificates.

### Arrangements for conversion

10. Up to and including 24th January 1991 holdings in respect of which the conversion option has been exercised will be described on the register as 13 per cent Treasury Stock, 2000-2003 "Assented"; and from 25th January 1991 until 17th June 1991 new holdings of 13 per cent Treasury Stock, 2000 issued on conversion will be described on the register as 13 per cent Treasury Stock, 2000 "A". Certificates for the new holdings of 13 per cent Treasury Stock, 2000 "A" will be issued as soon as possible after 25th January 1991.

11. Up to and including 22nd January 1991, CGO account balances in respect of which the conversion option has been exercised will be described as 13 1/2 per cent Treasury Stock, 2000-2003 "Assented"; and from 23rd January 1991 until 17th June 1991 balances in respect of 13 per cent Treasury Stock, 2000 issued on conversion will be described as 13 per cent Treasury Stock, 2000 "A".

12. Transfers of 13 1/2 per cent Treasury Stock, 2000-2003 for which stock transfer forms have been lodged for registration up to 22nd January 1991, will be carried out by the Bank of England on 18th January 1991. The option to convert into 13 per cent Treasury Stock, 2000-2003 will be available on 25th January 1991.

13. Up to and including 21st January 1991, applications will be accepted for transfers of holdings in 13 1/2 per cent Treasury Stock, 2000-2003, 13 1/2 per cent Treasury Stock, 2000-2003 "Assented" and 13 per cent Treasury Stock, 2000-2003 on the National Savings Stock Register. From 22nd January 1991 applications will be accepted for transfers of holdings in 13 1/2 per cent Treasury Stock, 2000-2003, 13 per cent Treasury Stock, 2000-2003 and 13 per cent Treasury Stock, 2000 "A". Balance certificates and certificates for stock issued on conversion will be sent by post to stockholders on the National Savings Stock Register by the Department for National Savings.

14. Transfers of 13 1/2 per cent Treasury Stock, 2000-2003 "Assented" may be lodged for registration in that form up to 22nd January 1991. After that date, on the lodging of such transfers for registration the transferees will be registered as holders of the appropriate amounts of 13 per cent Treasury Stock, 2000 "A". Transfers of 13 1/2 per cent Treasury Stock, 2000-2003 "Assented" lodged for registration or sent for certification should be accompanied by the Bank of England's acknowledgement of the receipt of the acceptance form or, if the acknowledgement has been lodged with an earlier transfer of the Stock, by the receipt issued for that transfer.

15. The interest due as on 14th July 1991 will be paid separately on holdings of the existing 13 per cent Treasury Stock, 2000 and on holdings of 13 per cent Treasury Stock, 2000 "A" registered at the close of business on 17th June 1991; consequently, the transferees will be registered as holders of the appropriate amounts of 13 per cent Treasury Stock, 2000 "A". Transfers of 13 per cent Treasury Stock, 2000-2003 "Assented" lodged for registration or sent for certification should be accompanied by the Bank of England's acknowledgement of the receipt of the acceptance form or, if the acknowledgement has been lodged with an earlier transfer of the Stock, by the receipt issued for that transfer.

16. Where the conversion option has been exercised, any instructions for the payment of interest registered in respect of a holding of 13 1/2 per cent Treasury Stock, 2000-2003 will be applied to the new holding of 13 per cent Treasury Stock, 2000 "A". Similarly, where instructions have been given by the Internal Revenue authorities for interest on the holding of 13 per cent Treasury Stock, 2000-2003 to be paid without deduction of income tax, the instructions will be applied to the new holding of 13 per cent Treasury Stock, 2000 "A".

17. Transfers of 13 per cent Treasury Stock, 2000 "A" may be lodged at the Bank of England for registration in that form up to 7th June 1991. After that date, for purposes of certification, the "A" stock will not be distinguished from the existing 13 per cent Treasury Stock, 2000. From the opening of business on 18th June 1991, the "A" stock will be amalgamated on the register with 13 per cent Treasury Stock, 2000. CGO account balances will have been amalgamated from the opening of business on 10th June 1991.

18. Her Majesty's Treasury have directed that Section 471 of the Income and Corporation Taxes Act 1988 (which relates to the treatment for taxation purposes of financial concerns whose business consists wholly or partly in dealing in securities) shall apply to exchanges of securities arising from this offer.

### Particulars of the issue of 13 per cent Treasury Stock, 2000

19. The terms of issue of 13 per cent Treasury Stock, 2000 were contained in the prospectus dated 20th June 1980 and included the following provisions:

- The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. The principal of and interest on the Stock is a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.
- The Stock will be repaid at par on 14th July 2000.
- Interest is payable half-yearly on 14th January and 14th July. Income tax is deducted from payments of more than £5 per annum. Interest warrants are transmitted by post.
- The Stock is registered at the Bank of England or at the Bank of Ireland, Belfast, and is transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1983. Transfers are free of stamp duty.

Stock registered at the Bank of England held for the account of members of the CGO Service is also transferable, in multiples of one penny, by assignment transfer in accordance with the Stock Transfer Act 1982 and the relevant secondary legislation.

20. Additional copies of this notice, the particulars of 13 per cent Treasury Stock, 2000 and forms for the acceptance of the conversion offer may be obtained by post from the Bank of England, New Change, London, EC4M 9AA; at the Central Gilt Office, Bank of England, 1 Bank Buildings, Princes Street, London, EC2R 8JN; or at any of the Branches or Agencies of the Bank of England; at the Bank of Ireland, Moyness Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN; or at any office of The International Stock Exchange in the United Kingdom.

21. Members of the CGO Service may obtain further guidance about the arrangements set out above in relation to their accounts by contacting the Central Gilt Office, Bank of England.

STOCKHOLDERS UNCERTAIN AS TO THE BEST COURSE TO FOLLOW SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

Government Statement  
Attention is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax charges decided on but not yet introduced, even when they may specifically affect the terms on which, or the conditions under which, the further amount of 13 per cent Treasury Stock, 2000 is issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

BANK OF ENGLAND  
LONDON  
21st December 1990



Weekend December 22/December 23 1990

## The jury is still out

MR JOHN MAJOR should make the best of the holiday week ahead, for in the new year his mettle may be tested as never before. This is inherent in his taking the job of prime minister. The few weeks that have elapsed since he entered No 10 Downing Street have gone well, but the honeymoon cannot last much longer. The reason is clear. The departure of Mrs Margaret Thatcher was accompanied by a sharp increase in public support for the Conservatives, as registered by the opinion polls. The Tory score is still substantially higher than it has been during most of 1990, but the lead over the Labour party has already begun to shrink. The Conservatives profited, in public terms, from a brief period during which their leadership contest was a matter of intense fascination. That is over. The image of what was an engrossing spectacle is fading. Soon it will be last year's memory.

A new image of the government will replace it. Most of what Mr Major has done so far suggests that he has a quite distinct notion of conservatism. It is in many respects different from the one espoused so forcefully by his predecessor. In manner he is always courteous, even anxious to please. He is not out to remake the world, but rather to respond to matters that arise. On big issues, such as the stance of Britain at the European Community's inter-governmental conference on political, economic and monetary co-operation, his style has been welcome, while changes in substance cannot be ruled out. On smaller day-to-day political questions he appears to be pragmatic, willing to listen to reason, or even to tread a path different from the one set since 1979. Where fresh proposals are relatively inexpensive and can be funded from the contingency reserve, he has shown an eagerness to set, as with the £22m offered to haemophilic victims of Aids, or the funding of shelters for the homeless over Christmas.

### Severe recession

This small-change "kinder, gentler" approach is doozed deserved by its beneficiaries, but the voters are indicating that they also want decongested roads, improved public transport, better schools and a marked improvement in the condition of the National Health Service, not to mention lower inflation and cheaper mortgages. Mr Major knows full well that however much of this may be desirable very little of it can be provided at a time when a severe recession has been ensured by his decision to enter the exchange rate

mechanism at a high rate for sterling. He therefore appears to be boxed in, with all the exit doors labelled "loss of credibility". His stern anti-inflationary bias, for which he deserves due credit, rules out a pre-election boost, at least until the policy has been seen to be working. Public spending for the coming year has already been set, and it is tight. Out-of-pocket gestures will not long hide the continued existence of a run-down public infrastructure. He can make promises, but during the 17 or 18 months available before a general election must be called, he can deliver little.

### PM's credibility

Many people are now urging him to take action to reduce the severity of the recession, or to turn it around quickly. The pound, they say, is overvalued. His dilemma is that these calls make the policy less credible, weaken sterling, and so make it still more difficult to lower interest rates. There is little that he can do about this, except stick it out. A British attempt to devalue sterling within the ERM would destroy the prime minister's credibility as a man who, in his own words "hates inflation". There is no point in voluntarily donning a disciplinary strait-jacket if it is discarded as soon as it becomes uncomfortable.

All this said, the government's position is not hopeless. The half-expected and the unexpected do happen. The Germans may seek a revaluation of the D-Mark; that could precipitate a general realignment of exchange rates. Sterling might then be resilient against the D-Mark alone, without that being seen as a unilateral action designed to get the UK government through a difficult election. Alternatively, a modest realignment might accompany sterling's move to narrow bands within the ERM. But both options would imperil credibility.

Again, the Treasury forecast being given to the prime minister, which is that inflation will fall more sharply - and further - than anyone has expected, might turn out to be less accurate than other Treasury prognostications. If accompanied by a series of marked improvements in the monthly balance of payments figures, the net effect could be enhanced credibility and an upward movement of sterling against the D-Mark. Interest rates could then be reduced. Inflation, as Mr Nigel Lawson says, is the judge and jury of the government. The test for Mr Major is how he keeps his nerve while the jury is out.

The underground stations in the Romanian capital of Bucharest are now silent. People wait on the platform. Those who speak no longer raise their voices.

A year ago, the underground was packed with young people. Some were wearing blue, yellow and red arm-bands. Others were checking passports, identity cards. Cypriot children ran the gauntlet of the carriages singing "Olé, Olé, Ceausescu is no more!" Their refrain earned them a smile, a couple of lei, a pat on the head. Revolutionary exuberance filled the air.

Today, excitement has given way to disillusion, cynicism and bewilderment. Even the word "revolution" has disappeared from the vernacular. People simply refer to "The Events". It makes little difference to the money-changers who loiter at the entrance to the damp tunnels of the underground. The name of their game is survival.

Will we survive? Maybe not. Even though there is no alternative to our government, I think we will be sacrificed, says Mr Petre Roman, Romania's young prime minister. He does not say by whom.

His party, the National Salvation Front, which was catapulted into power last December and which won a landslide victory in the May elections, is today struggling to maintain stability. Conservatives in the NSR want little to do with reforms which would sweep away the gargantuan bureaucracy. The small group of technocrats have little support to implement change. There is no certainty about the future.

Mr Roman just ended another long day of meetings. The government has spent many hours discussing the economic reforms. He still manages to be friendly and patient. No, he does not mind if the photographer lingers. She sets to work. An unidentified man at the other end of the room keeps a camera rolling. After 10 minutes, the photographer is asked to leave. "Prime minister, will you ask that gentleman to leave too?" He says. "What is he doing?" "Filming." "Why?" "They need it."

"They include Adrian Serbu, the secretary of state who runs the government's information department. He sees himself as the guardian of the real truth. He chisels away at the morale of the domestic and foreign press corps. 'You are all against us.' His elegant clothes, and carefully groomed hair and beard betrays his passion for fashion. 'You are always trying to criticise us. If you are not attacking us for our alleged communist past, you are seeking out negative things to report about how we treat the orphans, the Aids victims and the handicapped.' He adds: 'We are all handicapped in this society.'"

"Mr Roman, I ask, 'you remain committed towards introducing reforms and a democratic system, but some of your critics say that this government will never have any legitimacy until it spells out exactly what happened last December. Prime minister, is this government based on truth?'"

"Yes. The truth is not expressed on television. There is distortion. We are working continually to put across our opinions to different social groups. Since the elections, some western governments have not supported us. The elections did not fit into some of their scenarios. They still believe in scenarios, but not the truth."

There is a crisis of authority in Romania today. Mr Anton Ursu, the editor of the daily Romania Libera, inhales strong, raw Romanian tobacco in his large office. "It is a vicious circle. This economy is spiralling downwards. We need western financial assistance but we cannot obtain it. The June riots (when miners were called by President Ion Iliescu into the capital to quash anti-

One year after the overthrow of Ceausescu, Romania is gripped by disillusion and despair. Judy Dempsey reports

## A society in search of truth

government demonstrations) destroyed any goodwill which we had with the west. Our image cannot improve until this country can be run by democratic means. Yes, I think the prime minister is well-intentioned. But we still have to fight for the freedom of the press and for the truth. Fear is coming back. In the old days, we knew whom to fear. We do not know whom to fear today."

Ana, who works in a hotel, says the fear exists because the government has not put any of the Securitate (Ceausescu's hated secret police) on trial.

She knocked on my room door one day during the election campaign. "We caught one of them. He had a camera equipped with a strong lens. He was filming the demonstrators on University Square. We brought him down to the management. We were very angry. We wanted him arrested. The manager took us aside. 'You have families to feed,' he said. It was an order to remain silent. Many of Ana's friends have emigrated, or are thinking of leaving the country. The prospect of a brain drain horrifies younger members of the government.

Since last December, not one Securitate officer has been tried or sentenced. These are the people who made life a misery for millions of Romanians. Why have they not been put on trial?

General Cornel Badoiu is the president of the Military Section of the Supreme Court. He is supposed to be arranging trials for officers above the rank of general. He says some of the Securitate files have disappeared. How? He cannot say. He claims that witnesses have changed their statements. Why? He has no answer.

General Ion Mistor is president of the Territorial Court of Bucharest and is responsible for ranks between colonel and major. Appeals from the country courts are referred to him. He says there is not enough evidence to convict any of the defendants. Why not? People are changing their testimony. Why? He does not know.

A lawyer living in Bucharest says people are afraid. What are they afraid of? They think the Securitate is still around; some have received threats from families. Which families? Nobody names names. What kinds of threats? Rumours abound.

Over a quarter of the Securitate officers are working in the newly-formed Romanian Information (Intelligence) Service, and President Iliescu insists that the country needs professional intelligence officers.

Mr Bogdan Baltazar, the government's spokesman, says that there must be better ways to exercise control over the Securitate. "I was one of their victims," he says. Like many other officials, however, he is elusive about the delay in bringing the Securitate to trials.

The last time I had met Adrian Paunescu before The Events was in 1982 at a sports hall in Floresti which is about 80 kilometres north of Bucharest. He was then poet laureate to the court of Nicolae



Top: Soldiers prepare to defend against attacks by the Securitate, Bucharest, Dec 1989  
Middle: Jubilation at news of President Ceausescu's downfall, Bucharest, Dec 1989  
Bottom: Angry protesters in anti-communist demonstrations, Bucharest, Nov 1990

Ceausescu. The hall was packed with young people. As the evening wore on, the nationalist fervour intensified, the clenched fists punched the air, the poems and songs were peppered with praise for the Conducator.

Mr Paunescu seems to have forgotten about those days. Today, he holds court in a dimly lit room in his town house in Bucharest. What was it like writing such poetry? The long silences are punctuated with short, staccato sentences telling how he had argued with Ceausescu and preaching the need for a spiritual and mystical revival. Despite the acute shortage of paper, Mr Paunescu is editor of three papers.

It is disgusting. Is this what we fought for - to read new propaganda

by Paunescu?" says Dorel, a young engineer. "He has no shame."

Nor has Mr Corneliu Vadim Tudor. He used to write articles dedicated to Ceausescu with catchy titles like "Guardian of our most precious treasures", "Our National Hero", "Our Secular God", "Supreme embodiment of good". No longer.

Today, Mr Tudor and Mr Eugen Barbu, one of Ceausescu's chief propagandists, publish and edit Romania Mare (Great Romania), with a weekly circulation of 500,000 copies. Mrs Doina Cornea and Mr Mircea Dinescu, the lonely, oppressed voices of dissent under the ancien régime, are slandered unashamedly. Radio Free

Europe and the Jews, free masons and foreigners, and particularly intellectuals and Hungarians, are singled out for special treatment. "Sure I read the paper. I like the style," says Mihai, a journalist. "Its racy, convincing, a good read."

Mr Adrian Nastase, the foreign minister, shrugs aside suggestions that Romania Mare incites hatred and racism. "This is democracy. The press is free." During the interview, his aide takes copious notes.

The lights shine bright in Cap-sa's. In the old days, we had to leave the restaurant by 9pm because of rationing. Everybody spoke in low voices. The guards of the official truth - the Securitate - were ubiquitous. These nights, Cap-sa is lively. The waiters scurry around. The menu is more substantial. The manager has good connections.

Dr Alexandru Ancu, a gynaecologist at the Municipal hospital, takes time off work to meet me here. He is his usual, cheerful self. During the Ceausescu era it would have been impossible to meet him. Romanians were then actively discouraged from talking to foreigners. All conversations had to be reported to the police. Nobody was allowed to travel abroad.

"We know it is going to be difficult. But we all have to learn how to work again," says Dr Ancu, who himself works at least 14 hours a day. Since January, he has been reorganising the gynaecological clinic. Now that the ban on abortion has been lifted, he says more than 50 women a day queue at the hospital. "I just worry that we will not have spare parts to maintain the equipment donated from the west and abroad."

Outside, the dimly-lit streets and the poorly-stocked shops betray the difficulties in pulling the economy out of years of neglect. But the economic deprivation is not the only driving force behind the waves of demonstrations. The demonstrations amount to outpourings of despair.

The people of Timisoara ache with despair. Last December's "Events" were precipitated by Laszlo Toke, the Lutheran Pastor who, despite harassment by the Securitate, refused to stop preaching sermons about the truth. He would have been a national hero in any other country.

On December 5 1990, Rompress, the official Romanian newsmagazine, issued the following report: "In the Senate session of 5th December, the leader of the majority National Salvation Front, Vasile Vacaru, a Senator from Gorj, submitted an interpellation... it demands that the Romanian government advise what attitude it intends to adopt about the actions of Laszlo Toke, who by statements made in the country and abroad, seriously offended the Romanian state... giving the world a false picture of Romania. He also demanded that, starting December 1990, visas be made compulsory for any foreign citizens visiting Romania... a lot of individuals keep coming to Romania for dubious purposes..."

Eugen is a 23-year-old translator. He was one of the many young people who helped to oust the Ceausescus from power this time last year.

"The people of Bucharest and Timisoara are demonstrating again because they want to know the truth," he says. "We want to know what really happened last December. We want to know why the long-awaited report about the tragic ethnic killings between Romanians and Hungarians in Tirgu Mures last March has not yet been published. We want to know why the report about the miners' violence has not yet been published. No government will have any support, especially from the youth, until it tells the truth. Without the truth, there is no hope. I am sorry for my country."

## MAN IN THE NEWS

Nicholas Hardwick  
**Advocate for the children of the streets**

By John Lloyd



George agree that such a culture (if it exists: Mr Hardwick doubts it) is infinitely preferable to the street culture now obvious to all on London's streets. Hardwick reckons that, on any given night, some two to three thousand young men and women try to find some where to keep warm through the night; and that, on any given day, two or three more hit the streets. The problem is growing out of London, too.

Three years ago, at the end of 1987, Hardwick warned that the changes proposed by the government to social security benefits paid to the young - roughly, that they would be more difficult to obtain, and that housing benefit would be paid in arrears - would greatly increase the already evident growth of the homeless.

The thinking behind the changes, heavily influenced by American research, was precisely that there was such a thing as dependency culture, and that many of those who had left home and were sleeping rough, shooting up and

begging in and around Soho were being encouraged by the provision of welfare. Were it made more difficult for them, some at least would shape up and become decent citizens.

For Hardwick and others like him, this is largely rubbish. He sees the changes which did come in the 1989 Social Security Act as wholly retrograde, making a situation already made hard by the steady decline of the availability of rented property still harder. Society, he believes, carries more of the responsibility than the individual.

In a couple of lengthy sessions with Mr Hardwick in the past two years in the hostels which his organisation runs, I have seen the children, or young men and women, whom he attempts to help. The bulk of them are not pitiable in any obvious sense: indeed, some (not the majority) are often repellently obnoxious - aggressive, mendacious and indifferent alike to kindness and help. Others are extraordinarily pathetic - withdrawn to the point of inarticulacy.

Others again are almost cringingly dependent.

Some are "sturdy beggars", knowingly playing the system and benefiting from what they can squeeze out of it - perfectly able to take a job in a McDonald's or a building site. Many of them do take such jobs, and usually find they are laid off soon, or simply cannot stick it. The contemporary children of the streets exist in the particular crevices of the urban entertainment and addiction systems - where, high on drugs or booze, they will play pinball or slot machines hour upon hour, or slip into cinemas and sit through four showings of the film, or drift from Piccadilly café to Soho bar to Covent Garden late-night shop, usually propelled by someone shooting them away from the proper job, and they are often inveigled into prostitution and are always seen as easy prey to sexual attack, especially on the part of older homosexual men in night shelters.

Already, the government has recognised the crisis this con-

## RAISED IN THE HIGHLANDS.



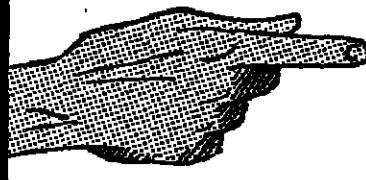
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**FAMOUS GROUSE**  
FINEST SCOTCH WHISKY

QUALITY IN AN AGE OF CHANGE.

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**START**




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Your currency rises to the top of its fluctuation band. Cut in interest rates and advance 3 places

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Your inflation rate falls to 2% ADVANCE 6 PLACES

EUROPEAN COURT



BE ACQUITTED AND APPOINTED A "EUROFED" BOARD MEMBER AFTER 1 TURN

Your inflation rises above the Greek rate



GO BACK 2 SPACES


Barry Riley's

# EMUMANIA

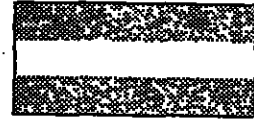
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EUROPEAN COMMUNITY CHEST DIP IN FREELY AGAIN 10% ON YOUR MONEY

You are given a vitriolic write-up in the Sun HAVE AN EXTRA TURN



You are asked to advise Argentina on currency stability




ADVANCE 281,953 SPACES

EMS REALIGNMENT START AGAIN

**SINGLE CURRENCY**

DOLLAR CRISIS



GO TO LUXURY HOTEL FOR 2 TURNS

You reinvent the sixpence RESIGN

EUROPEAN COMMUNITY CHEST DIP IN FREELY AGAIN 10% ON YOUR MONEY

Jacques Delors accuses you of reneging on commitments MAKE A PILGRIMAGE TO SCHENGEN

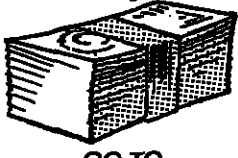
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1. Throw the die for the number of spaces you move forward
2. Accumulate ECU10,000
3. Land on the centre square to win

SCHENGEN LOSE YOUR WAY FOR 3 TURNS AND PAY ECU500

You cut interest rates ahead of an election GO BACK 6 SPACES

Guilty of massive currency fraud




GO TO EUROPEAN COURT AND PAY ECU500 FINE

You attend another lecture by Karl Otto Pöhl on the independence of central banks BACK 1 SPACE

You attend lecture by Karl Otto Pöhl on the independence of central banks ADVANCE 1 SPACE

You enjoy ERM honeymoon SLEEP FOR 2 TURNS



"EUROFED" Become a Board member of the European system of central banks COLLECT ECU500

## LETTERS

There is more to success than A-level results

From A.C.V. Evans  
Sir, Norma Cohen's article ("The old order changes", November 17/18) in which, on the basis of a few telephone conversations, she listed the "leading" academic independent schools, was predictably controversial. I regret, however, that so many colleagues immediately responded to the statistics alone and struggled for inclusion. Those of us with the facts and figures to hand could easily add to or subtract from the list on an annual basis, although none would dispute the exceptional and consistent quality of the schools listed or of others to which the article alluded.

What is regrettable, in my view, is that the article defined "top" independent schools on the sole evidence of A-level results with no apparent allowance for the quality of the schools' intake or their location. My experience, in my view, is that those of us in schools with a highly selective entry and with correspondingly high A-level statistics can all too easily ignore the dedicated and often brilliant teaching to be found in small and less academically selective schools.

Many of the small or less exclusively academic schools, not only by virtue of their extra-curricular and pastoral provision but also as a result of outstanding personal teaching, serve academically limited children with consummate success - albeit not in the crude percentage terms quoted - and offer educational perspectives of the greatest quality. The article, by implication, did a grave disservice to those less selective independent schools which provide such an education and in which a "low pass" at A-level represents for many pupils a triumph of dedication.

One hopes that, when the Financial Times approaches this subject again, it will do so on the basis of less narrow research and discuss qualities in independent schools which explain their rapidly increasing popularity for reasons other than the limited basis of A grades alone.

A.C.V. Evans  
Portsmouth Grammar School  
High Street  
Portsmouth

Dividends should be a reflection of profitability

From Messrs R.J. Stone and C. Evans  
Sir, We endorse Mr Linsaker's observation that dividends are the "core of the relationship between management and owners" ("Dividend cuts no help on cyclical trade difficulties", December 12). Cutting dividends to make a political point or as a knee-jerk reaction to short-term trading malaise can be construed as irresponsible, and the company's rating and credibility will suffer accordingly.

Equally irresponsible, in our opinion, is the current practice of paying dividend increases unjustified by the profitability of the company. In the last week alone, approximately 36 per cent of recorded increases

in UK dividends were higher than the underlying increase in earnings, and a further 15 per cent of the increases were made against a background of falling profits and declining prospects.

In September BTR declared an increased dividend which reflected the slower-than-normal increase in earnings. Market reaction to their responsible dividend policy may have left the directors dismayed, but their policy could and should, prove to be the norm.

In the present economic climate, fund managers should be as wary of unjustified dividend increases as they are of cuts. R.J. Stone and C. Evans, *Dividend Analysis Ltd*, 28 Luke Street, EC2

College defends attitude to repatriation of Aboriginal relics

From Mr William P. Hederman  
Sir, I wish to comment on an article ("Museums face up to grave issues", December 8/9) by Patricia Morrison about the repatriation of Aboriginal relics.

It is not true to say that the Royal College of Surgeons in Ireland was bitterly opposed to returning the head, and that the Irish premier, Mr Charles Haughey, had to intervene to force the college to do so.

In fact the first official request received by the college for the return of the head was

from the Australian ambassador in Dublin, on Monday February 19 1990.

A special meeting of the council of our college was held on the following Thursday, February 22, to discuss the matter, and it was decided to hand the head over to the ambassador immediately, for return to Australia.

William P. Hederman, *President, Royal College of Surgeons in Ireland*, 28 St Stephen's Green, Dublin

Commissions: the debate rages

From L.J. Dunn  
Sir, I read with interest your editorial ("Sales tactics in life assurance", December 13), and of your efforts to improve commission disclosure.

The unit linked sector of the lucrative pensions market is particularly worthy of attention. "Regular" contributions can produce more than 50 per cent of initial commission for the salesman and "single" contributions a mere 3.6 per cent. Accumulated fund from the first two years' "regular" investment suffers an annual charge deduction of 4.25 per cent. Assuming 13 per cent a year fund growth, the charge would rise progressively to 27 per cent of annual investment at 10 years, 52 per cent at 20, and 313 per cent at 30 years. Eligible "single" investments would attract a once-only deduction of 4 per cent.

One instance where enhanced rewards were achieved by adding unauthorised entries to a contract after customer signature found its way to court. The verdict went against the company, but a substantial ex-gratia payment to the customer averted possible national implications from rewriting the contract.

Full commission disclosure alone could be counter-productive. The industry should dispense with front loadings, treat all investment on a single-contribution basis, remove discretion and disclose all charges.

The effect would be to minimise regulation and remove confusion, to increase efficiency and reduce costs; and to harness market forces to protect the consumer.

L.J. Dunn, *Warrington, Surrey*

From Mr Ronald Palmer  
Sir, It is not about time that someone, somewhere, acted on behalf of independent financial consultancy firms to answer the continuing criticism and adverse publicity surrounding the payment of commissions. If the public and the media are not aware of the costs of providing for compliance requirements together with technical and administrative services of high quality, then it is (as usual) the industry's fault in not ensuring that the services for the benefit of the client are publicised.

Clients expect - quite rightly - a first class service combining sound technical advice, on-going personal service and a thorough knowledge of the contracts provided by the industry. It does not come cheap and there can be no question of cutting corners when it comes to monetary matters and a high level of personal service. Adding appropriately to industry costs are the generally poor levels of administrative support.

The move to switching the financial services industry from commission to fees will take many years for the public to accept. Many firms will not be able to cope, and are likely to go out of business.

Ronald Palmer, *deputy chairman, IPS Financial Services*, 15 Manchester Square, W1

Malta: The very model of an EC state, knocking on the door

From Mr Roderick Pace  
Sir, Mr John Wyles ("Club list closed for rules changes", December 8/9) wrote an interesting piece on the future of the EC and the question of enlargement.

When he dealt with Malta's application, he stated that "Cyprus and Malta, which also have applications on the table, also pose membership problems which officials and diplomats are not yet ready to face."

Considering that Malta has a population of only 350,000, a GDP that grows by about 9 per cent annually, trade links with the EC that are far stronger than most member states have between one and other (some

80 per cent of domestic exports and 76 per cent of imports are with the EC), not to mention direct foreign investment, the bulk of which originates with the EC, it is hard to imagine what problems Malta's membership poses.

With a small open economy, domestic exports accounting for 46 per cent of GDP, Malta has every economic interest to join the EC. With its minuscule agricultural sector (3.6 per cent of GDP) and negligible unemployment (4.09 per cent), it is hardly the candidate that would tax the CAP or the structural funds.

Politically, Malta has a parliamentary democracy with a

written constitution and a proportional electoral system. As a member of the Council of Europe it has not only adhered to the European Human Rights Charter but has gone one step beyond by incorporating the charter in Maltese law.

It has all the credentials for membership that are enshrined in the Rome treaties as recently amended by the Single European Act. In foreign policy it hardly differs with the Twelve, and when it applied for membership in July 1990, it was implicit that it also accepts the goals of political and monetary union.

On these bases, it seems difficult to argue why a small

country like Malta should be considered to be problematic, while economic collapse and political instability could in future be considered excellent credentials for Poland, Hungary, and Czechoslovakia to be admitted to the EC, as Mr Wyles argued.

In a world characterised by a decline in the importance attached to the nation state, some smaller states have a keener interest in supranationality, perhaps because of the lesser measure of power and influence they have to give up in the interests of the whole.

Roderick Pace, *Pilot 44, Triq Ghar Barka, Rabat, Malta*

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FT-SE 100 SHARE INDEX	2164.4	+5.6	2164.6	2152.6	2158.8	2178.7	2161.8	2157.9	2168.4	2362.0	2463.7	3 /1	1990.2	28/9	2463.7	3 /1 /90	986.9	23/7 /8
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† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 35p.

Percentage of respondents who believe that the use of force is justified	Percentage of respondents who believe that the use of force is justified
0	100
10	90
20	80
30	70
40	60
50	50
60	40
70	30
80	20
90	10
100	0

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	Class	Previous	High/Low
Feb	2574	2574	2574
Mar	2574	2574	2574
Jul	2712	2712	2712
Dec	2712	2712	2712
200/2			2600

**WEIGHT 5,000 lb. minimum**

	Class	Previous	High/Low
Feb	2574	2574	2574
Mar	2574	2574	2574
Jul	2712	2712	2712
Dec	2712	2712	2712
200/2			2600

**LIVE CATTLE 40,000 lbs. minimum**

	Class	Previous	High/Low
Feb	76.57	76.60	76.48
Mar	76.57	76.60	76.48
Jul	76.30	76.55	76.07
Dec	76.30	76.55	76.07
200/2			76.17

**LIVE HOGS 30,000 lbs. minimum**

	Class	Previous	High/Low
Feb	40.02	40.25	40.57
Mar	40.02	40.25	40.57
Jul	41.05	40.70	41.05
Dec	41.05	40.70	41.05
200/2			40.50

**PORK BELLS 40,000 lbs. minimum**

	Class	Previous	High/Low
Feb	64.62	64.07	65.90
Mar	64.62	64.07	65.90
Jul	64.62	64.07	65.90
Dec	64.62	64.07	65.90
200/2			65.90



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# CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

### \$ up further on Soviet worries

THE US dollar continued to benefit yesterday from the political uncertainty in the Soviet Union following the resignation of Mr. Eduard Shevardnadze as foreign minister.

The dollar rose to 1.8750 from 1.8700, at 1.8750 from 1.8700, and at 1.8750 from 1.8700. The dollar's index rose to 82.1 from 82.0.

Whereas in the previous session the spotlight had been on the mark, yesterday it moved to the dollar, as investors favoured the US currency's qualities as a safe haven.

The dollar rose to its highest point since late September against sterling and the yen, and to its strongest since early November against the mark.

The lower level of business in the currency markets tended to concentrate the dollar's strength. Analysts pointed out that in past years the lack of activity during the Christmas and New Year period has also produced large currency movements.

The dollar closed higher at DM1.5255 from DM1.5205, at SF1.3090 from SF1.2990, at Y135.45 from Y134.85, and at FF5.1910 from FF5.1850. The dollar's index rose to 82.1 from 82.0.

The mark continued to suffer from the political crisis caused by Mr. Shevardnadze's resignation. It slipped to Y88.59 from Y88.67, and was weaker against the dollar, yesterday it moved to the dollar, as investors favoured the US currency's qualities as a safe haven.

But the mark's fall allowed an easing of some of the strains in the EMS which have been building up since the German currency began to recover in July. Over the past week the Irish, Dutch and Belgian central banks had been forced to tighten monetary policy in response to the mark's strength.

Sterling had a mixed day, falling against the dollar but rising slightly against the yen and the mark. The pound dipped after the announcement of a 5.971m

November current account deficit, which was above market expectations. October's deficit was £2.06bn.

Despite the pound's strength against the mark yesterday, analysts said the possibility that rates could be cut to ease the recession is likely to limit any rally.

Sterling closed higher at DM2.8800 from DM2.8750, at SF2.4700 from SF2.4650, and at FF2.7875 from FF2.7825, but fell to \$1.8675 from \$1.8675. Sterling's index finished 0.2 point down at 82.8.

The French franc had strengthened after news that the trade deficit had narrowed sharply to FF601m in November from FF659m. But it later slipped back and the mark closed unchanged at FF3.3969.

Bank Steve Barrow of Chemical Bank said that a massive improvement in the balance of payments would be a question how accurate it was.

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The French franc had strengthened after news that the trade deficit had narrowed sharply to FF601m in November from FF659m. But it later slipped back and the mark closed unchanged at FF3.3969.

Bank Steve Barrow of Chemical Bank said that a massive improvement in the balance of payments would be a question how accurate it was.

The pound closed higher at DM2.8800 from DM2.8750, at SF2.4700 from SF2.4650, and at FF2.7875 from FF2.7825, but fell to \$1.8675 from \$1.8675. Sterling's index finished 0.2 point down at 82.8.

## FINANCIAL FUTURES AND OPTIONS

LITTS LONG-TERM FUTURES		LITTS SHORT-TERM FUTURES	
Symbol	Price	Symbol	Price
10yr T-bill	101.25	3m T-bill	94.75
5yr T-bill	101.25	6m T-bill	94.75
2yr T-bill	101.25	9m T-bill	94.75
1yr T-bill	101.25	12m T-bill	94.75

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS EURO-AREA FUTURES		LITTS JAPANESE FUTURES	
Symbol	Price	Symbol	Price
10yr Euro	101.25	10yr Yen	101.25
5yr Euro	101.25	5yr Yen	101.25
2yr Euro	101.25	2yr Yen	101.25
1yr Euro	101.25	1yr Yen	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS COMMODITY FUTURES		LITTS STOCK FUTURES	
Symbol	Price	Symbol	Price
Oil	101.25	10yr S&P	101.25
Gold	101.25	5yr S&P	101.25
Silver	101.25	2yr S&P	101.25
Copper	101.25	1yr S&P	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS CURRENCY FUTURES		LITTS BOND FUTURES	
Symbol	Price	Symbol	Price
10yr Pound	101.25	10yr Bond	101.25
5yr Pound	101.25	5yr Bond	101.25
2yr Pound	101.25	2yr Bond	101.25
1yr Pound	101.25	1yr Bond	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS OPTION FUTURES		LITTS FUTURE OPTIONS	
Symbol	Price	Symbol	Price
10yr Call	101.25	10yr Put	101.25
5yr Call	101.25	5yr Put	101.25
2yr Call	101.25	2yr Put	101.25
1yr Call	101.25	1yr Put	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS COMMODITY OPTIONS		LITTS STOCK OPTIONS	
Symbol	Price	Symbol	Price
Oil Call	101.25	10yr S&P Call	101.25
Oil Put	101.25	5yr S&P Call	101.25
Gold Call	101.25	2yr S&P Call	101.25
Gold Put	101.25	1yr S&P Call	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS CURRENCY OPTIONS		LITTS BOND OPTIONS	
Symbol	Price	Symbol	Price
10yr Pound Call	101.25	10yr Bond Call	101.25
10yr Pound Put	101.25	5yr Bond Call	101.25
5yr Pound Call	101.25	2yr Bond Call	101.25
5yr Pound Put	101.25	1yr Bond Call	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS COMMODITY FUTURES		LITTS STOCK FUTURES	
Symbol	Price	Symbol	Price
Oil	101.25	10yr S&P	101.25
Gold	101.25	5yr S&P	101.25
Silver	101.25	2yr S&P	101.25
Copper	101.25	1yr S&P	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS CURRENCY FUTURES		LITTS BOND FUTURES	
Symbol	Price	Symbol	Price
10yr Pound	101.25	10yr Bond	101.25
5yr Pound	101.25	5yr Bond	101.25
2yr Pound	101.25	2yr Bond	101.25
1yr Pound	101.25	1yr Bond	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS COMMODITY OPTIONS		LITTS STOCK OPTIONS	
Symbol	Price	Symbol	Price
Oil Call	101.25	10yr S&P Call	101.25
Oil Put	101.25	5yr S&P Call	101.25
Gold Call	101.25	2yr S&P Call	101.25
Gold Put	101.25	1yr S&P Call	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS CURRENCY OPTIONS		LITTS BOND OPTIONS	
Symbol	Price	Symbol	Price
10yr Pound Call	101.25	10yr Bond Call	101.25
10yr Pound Put	101.25	5yr Bond Call	101.25
5yr Pound Call	101.25	2yr Bond Call	101.25
5yr Pound Put	101.25	1yr Bond Call	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

## FINANCIAL FUTURES AND OPTIONS

LITTS LONG-TERM FUTURES		LITTS SHORT-TERM FUTURES	
Symbol	Price	Symbol	Price
10yr T-bill	101.25	3m T-bill	94.75
5yr T-bill	101.25	6m T-bill	94.75
2yr T-bill	101.25	9m T-bill	94.75
1yr T-bill	101.25	12m T-bill	94.75

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS EURO-AREA FUTURES		LITTS JAPANESE FUTURES	
Symbol	Price	Symbol	Price
10yr Euro	101.25	10yr Yen	101.25
5yr Euro	101.25	5yr Yen	101.25
2yr Euro	101.25	2yr Yen	101.25
1yr Euro	101.25	1yr Yen	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS COMMODITY FUTURES		LITTS STOCK FUTURES	
Symbol	Price	Symbol	Price
Oil	101.25	10yr S&P	101.25
Gold	101.25	5yr S&P	101.25
Silver	101.25	2yr S&P	101.25
Copper	101.25	1yr S&P	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS CURRENCY FUTURES		LITTS BOND FUTURES	
Symbol	Price	Symbol	Price
10yr Pound	101.25	10yr Bond	101.25
5yr Pound	101.25	5yr Bond	101.25
2yr Pound	101.25	2yr Bond	101.25
1yr Pound	101.25	1yr Bond	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS OPTION FUTURES		LITTS FUTURE OPTIONS	
Symbol	Price	Symbol	Price
10yr Call	101.25	10yr Put	101.25
5yr Call	101.25	5yr Put	101.25
2yr Call	101.25	2yr Put	101.25
1yr Call	101.25	1yr Put	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS COMMODITY OPTIONS		LITTS STOCK OPTIONS	
Symbol	Price	Symbol	Price
Oil Call	101.25	10yr S&P Call	101.25
Oil Put	101.25	5yr S&P Call	101.25
Gold Call	101.25	2yr S&P Call	101.25
Gold Put	101.25	1yr S&P Call	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS CURRENCY OPTIONS		LITTS BOND OPTIONS	
Symbol	Price	Symbol	Price
10yr Pound Call	101.25	10yr Bond Call	101.25
10yr Pound Put	101.25	5yr Bond Call	101.25
5yr Pound Call	101.25	2yr Bond Call	101.25
5yr Pound Put	101.25	1yr Bond Call	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS COMMODITY FUTURES		LITTS STOCK FUTURES	
Symbol	Price	Symbol	Price
Oil	101.25	10yr S&P	101.25
Gold	101.25	5yr S&P	101.25
Silver	101.25	2yr S&P	101.25
Copper	101.25	1yr S&P	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS CURRENCY FUTURES		LITTS BOND FUTURES	
Symbol	Price	Symbol	Price
10yr Pound	101.25	10yr Bond	101.25
5yr Pound	101.25	5yr Bond	101.25
2yr Pound	101.25	2yr Bond	101.25
1yr Pound	101.25	1yr Bond	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS COMMODITY OPTIONS		LITTS STOCK OPTIONS	
Symbol	Price	Symbol	Price
Oil Call	101.25	10yr S&P Call	101.25
Oil Put	101.25	5yr S&P Call	101.25
Gold Call	101.25	2yr S&P Call	101.25
Gold Put	101.25	1yr S&P Call	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

LITTS CURRENCY OPTIONS		LITTS BOND OPTIONS	
Symbol	Price	Symbol	Price
10yr Pound Call	101.25	10yr Bond Call	101.25
10yr Pound Put	101.25	5yr Bond Call	101.25
5yr Pound Call	101.25	2yr Bond Call	101.25
5yr Pound Put	101.25	1yr Bond Call	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

## MONEY MARKET FUNDS

### Money Market Trust Funds

CAF Money Market Trust		CAF Money Market Trust	
Symbol	Price	Symbol	Price
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25

CAF Money Market Trust		CAF Money Market Trust	
Symbol	Price	Symbol	Price
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

CAF Money Market Trust		CAF Money Market Trust	
Symbol	Price	Symbol	Price
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

CAF Money Market Trust		CAF Money Market Trust	
Symbol	Price	Symbol	Price
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

CAF Money Market Trust		CAF Money Market Trust	
Symbol	Price	Symbol	Price
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25

Estimated volume total: 1,111,111 contracts. Previous day's open: 1,111,111 contracts.

CAF Money Market Trust		CAF Money Market Trust	
Symbol	Price	Symbol	Price
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25
CAF Money Market Trust	101.25	CAF Money Market Trust	101.25









projects centre, from January 1. He succeeds Mr Henry Ashby who retires on January 19. Mr Boobyer will continue his involvement in "big ticket" leasing. His new responsibilities will include Raytheon Mercantile Aircraft Finance, the specialist international lease structuring and arranging division, and the development of a new lease syndication team.

■ Mr Jorgen Wedel, managing director of BRAUN UK, has been appointed president of Braun in the US from January 1. He is succeeded in the UK by Mr Hans Goring from the Kronberg head office in Germany, where he is business director, shaving products.

■ Mr Robin Hindle Fisher, managing director of Henderson Pension Fund Management, has been

Corporate, US. He was UK general manager of Krupp Industries.

## Kleinwort Benson banking directors

■ **KLEINWORT BENSON GROUP** has appointed the following as directors in the merchant banking arm, Kleinwort Benson Ltd, from January 1: Mr J.R. Brown and Mr S.P. Maclean, operations; Mr F.E. Churchill, Colombia, group secretary and head of corporate affairs; Mr P.F. Donelan, New York office; Mr M.A. Hutchins, Chicago office; Mr R.G. Gray, Mr R.S. Morse, and Mr S.J. Withers, corporate finance; Mr C.J. Palmer, personnel; and Mr M.R. Stacpoole, equity syndicate.

■ Mr William Syson is joining the board of GREAT WESTERN RESOURCES INC as non-executive director. He retired last September as chief manager and head of corporate banking at Bank of Scotland.

■ Mr Mark Fisher has been appointed director of

as executive directors: Mr Paul Giamondi (from December 10); Mr William Buist-Wells, Mr Jonathan Dawson and Mr Nicholas Parkes (from January 1). Mr All Wambold has also been appointed a director from January 1 - he is chief executive of Lazard Freres & Co, London arm of Lazard Freres of New York. Mr Robert Agostinelli and Sir John Cuckney will be resigning from the board on December 31.

■ Mr Patrick O'Ferrall, corporate affairs manager of Total Oil Marine, and director of Total Oil Marine (Engineering and Construction), has been appointed deputy chairman of LLOYD'S REGISTER OF SHIPPING from January 1. He succeeds Mr John Hutchinson who has been deputy chairman since January 1989.

■ Mr Tom Redding, sales director, is promoted to managing director of THE I.S. STARRETT COMPANY, Jedburgh, from the end of the year. He succeeds Mr Archie Wallace who retires but continues as a non-executive director.







**FT MANAGED FUNDS SERVICE**

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 021-825-2128.

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● Current Unit Trust Prices are available on FT Cityline. To obtain your Free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2122.

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● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

**- MANAGED FUNDS NOTES**

- Prices are in pence unless otherwise indicated and those designated S-will show profits prior to U.S. dollars. Yields % are calculated on a basis of \$100.

- Insurance listed plans subject to capital gains tax on sales. A Distribution from UK Lanes, a Periodic premium payment by a client to a SICR may result in a Capital Gain Tax Liability as well as a Loss of Income Tax Deduction if Lanesman's or a UCITS Undertaking(s) for Collective Investment in Transferable Securities, a Offshore price insurance will continue except against a commission, a Profits drop % price, or a Commission % price.

4.00 - Yield Net Jersey Ltd, 1-2 months, 6% 1/2 monthly, 8% Only available in the UK. The above columns shows annualized rates of NAV increase, net of expenses.

- Funds sold at 98% recognized. The regulatory authorities in the United Kingdom are: Treasury Financial Services Board; Office of Fair Trading; Department of Social Security; Committee for Standardization of Investments; and the Commission for the Regulation of Enquiries and Complaints.

- Commitment: Jersey, Commercial Relations Department,



AMERICA  
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Wall Street

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Wall Street

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**Bank**

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**Saint**

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## LONDON SHARE SERVICE

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BANKS, HP & LEASING									
1990	Low	High	Stock	Price	1990	Low	High	Stock	Price
111	111	111	BARCLAYS PLC	111	111	111	111	111	111
112	112	112	HSBC BANK PLC	112	112	112	112	112	112
113	113	113	ROYAL BANK OF CANADA	113	113	113	113	113	113
114	114	114	ABN AMRO GROUP NV	114	114	114	114	114	114
115	115	115	COMMERZBANK AG	115	115	115	115	115	115
116	116	116	DEUTSCHE BANK AG	116	116	116	116	116	116
117	117	117	PARIBANK SA	117	117	117	117	117	117
118	118	118	SAFARI GROUP PLC	118	118	118	118	118	118
119	119	119	WILLIS TOWERS WATSON	119	119	119	119	119	119
120	120	120	UNILEVER PLC	120	120	120	120	120	120
121	121	121	ROYAL DUTCH SHELL PLC	121	121	121	121	121	121
122	122	122	BP PLC	122	122	122	122	122	122
123	123	123	AMCO GROUP PLC	123	123	123	123	123	123
124	124	124	WILLIS TOWERS WATSON	124	124	124	124	124	124
125	125	125	UNILEVER PLC	125	125	125	125	125	125
126	126	126	ROYAL DUTCH SHELL PLC	126	126	126	126	126	126
127	127	127	BP PLC	127	127	127	127	127	127
128	128	128	AMCO GROUP PLC	128	128	128	128	128	128
129	129	129	WILLIS TOWERS WATSON	129	129	129	129	129	129
130	130	130	UNILEVER PLC	130	130	130	130	130	130
131	131	131	ROYAL DUTCH SHELL PLC	131	131	131	131	131	131
132	132	132	BP PLC	132	132	132	132	132	132
133	133	133	AMCO GROUP PLC	133	133	133	133	133	133
134	134	134	WILLIS TOWERS WATSON	134	134	134	134	134	134
135	135	135	UNILEVER PLC	135	135	135	135	135	135
136	136	136	ROYAL DUTCH SHELL PLC	136	136	136	136	136	136
137	137	137	BP PLC	137	137	137	137	137	137
138	138	138	AMCO GROUP PLC	138	138	138	138	138	138
139	139	139	WILLIS TOWERS WATSON	139	139	139	139	139	139
140	140	140	UNILEVER PLC	140	140	140	140	140	140
141	141	141	ROYAL DUTCH SHELL PLC	141	141	141	141	141	141
142	142	142	BP PLC	142	142	142	142	142	142
143	143	143	AMCO GROUP PLC	143	143	143	143	143	143
144	144	144	WILLIS TOWERS WATSON	144	144	144	144	144	144
145	145	145	UNILEVER PLC	145	145	145	145	145	145
146	146	146	ROYAL DUTCH SHELL PLC	146	146	146	146	146	146
147	147	147	BP PLC	147	147	147	147	147	147
148	148	148	AMCO GROUP PLC	148	148	148	148	148	148
149	149	149	WILLIS TOWERS WATSON	149	149	149	149	149	149
150	150	150	UNILEVER PLC	150	150	150	150	150	150
151	151	151	ROYAL DUTCH SHELL PLC	151	151	151	151	151	151
152	152	152	BP PLC	152	152	152	152	152	152
153	153	153	AMCO GROUP PLC	153	153	153	153	153	153
154	154	154	WILLIS TOWERS WATSON	154	154	154	154	154	154
155	155	155	UNILEVER PLC	155	155	155	155	155	155
156	156	156	ROYAL DUTCH SHELL PLC	156	156	156	156	156	156
157	157	157	BP PLC	157	157	157	157	157	157
158	158	158	AMCO GROUP PLC	158	158	158	158	158	158
159	159	159	WILLIS TOWERS WATSON	159	159	159	159	159	159
160	160	160	UNILEVER PLC	160	160	160	160	160	160
161	161	161	ROYAL DUTCH SHELL PLC	161	161	161	161	161	161
162	162	162	BP PLC	162	162	162	162	162	162
163	163	163	AMCO GROUP PLC	163	163	163	163	163	163
164	164	164	WILLIS TOWERS WATSON	164	164	164	164	164	164
165	165	165	UNILEVER PLC	165	165	165	165	165	165
166	166	166	ROYAL DUTCH SHELL PLC	166	166	166	166	166	166
167	167	167	BP PLC	167	167	167	167	167	167
168	168	168	AMCO GROUP PLC	168	168	168	168	168	168
169	169	169	WILLIS TOWERS WATSON	169	169	169	169	169	169
170	170	170	UNILEVER PLC	170	170	170	170	170	170
171	171	171	ROYAL DUTCH SHELL PLC	171	171	171	171	171	171
172	172	172	BP PLC	172	172	172	172	172	172
173	173	173	AMCO GROUP PLC	173	173	173	173	173	173
174	174	174	WILLIS TOWERS WATSON	174	174	174	174	174	174
175	175	175	UNILEVER PLC	175	175	175	175	175	175
176	176	176	ROYAL DUTCH SHELL PLC	176	176	176	176	176	176
177	177	177	BP PLC	177	177	177	177	177	177
178	178	178	AMCO GROUP PLC	178	178	178	178	178	178
179	179	179	WILLIS TOWERS WATSON	179	179	179	179	179	179
180	180	180	UNILEVER PLC	180	180	180	180	180	180
181	181	181	ROYAL DUTCH SHELL PLC	181	181	181	181	181	181
182	182	182	BP PLC	182	182	182	182	182	182
183	183	183	AMCO GROUP PLC	183	183	183	183	183	183
184	184	184	WILLIS TOWERS WATSON	184	184	184	184	184	184
185	185	185	UNILEVER PLC	185	185	185	185	185	185
186	186	186	ROYAL DUTCH SHELL PLC	186	186	186	186	186	186
187	187	187	BP PLC	187	187	187	187	187	187
188	188	188	AMCO GROUP PLC	188	188	188	188	188	188
189	189	189	WILLIS TOWERS WATSON	189	189	189	189	189	189
190	190	190	UNILEVER PLC	190	190	190	190	190	190
191	191	191	ROYAL DUTCH SHELL PLC	191	191	191	191	191	191
192	192	192	BP PLC	192	192	192	192	192	192
193	193	193	AMCO GROUP PLC	193	193	193	193	193	193
194	194	194	WILLIS TOWERS WATSON	194	194	194	194	194	194
195	195	195	UNILEVER PLC	195	195	195	195	195	195
196	196	196	ROYAL DUTCH SHELL PLC	196	196	196	196	196	196
197	197	197	BP PLC	197	197	197	197	197	197
198	198	198	AMCO GROUP PLC	198	198	198	198	198	198
199	199	199	WILLIS TOWERS WATSON	199	199	199	199	199	199
200	200	200	UNILEVER PLC	200	200	200	200	200	200
201	201	201	ROYAL DUTCH SHELL PLC	201	201	201	201	201	201
202	202	202	BP PLC	202	202	202	202	202	202
203	203	203	AMCO GROUP PLC	203</					



INDUSTRIALS (INDEXED)

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## MOTORS, AIRCRAFT TRADES - Contd

1990	High	Low	Stock	Price	Net	Div	Yield	P/E
<b>Components</b>								
458	120	118	2000000000	120.00	1.00	1.00	1.00	1.00
120	118	116	2000000000	118.00	1.00	1.00	1.00	1.00
118	116	114	2000000000	116.00	1.00	1.00	1.00	1.00
116	114	112	2000000000	114.00	1.00	1.00	1.00	1.00
114	112	110	2000000000	112.00	1.00	1.00	1.00	1.00
112	110	108	2000000000	110.00	1.00	1.00	1.00	1.00
110	108	106	2000000000	108.00	1.00	1.00	1.00	1.00
108	106	104	2000000000	106.00	1.00	1.00	1.00	1.00
106	104	102	2000000000	104.00	1.00	1.00	1.00	1.00
104	102	100	2000000000	102.00	1.00	1.00	1.00	1.00
102	100	98	2000000000	100.00	1.00	1.00	1.00	1.00
98	96	94	2000000000	98.00	1.00	1.00	1.00	1.00
94	92	90	2000000000	94.00	1.00	1.00	1.00	1.00
92	90	88	2000000000	92.00	1.00	1.00	1.00	1.00
88	86	84	2000000000	88.00	1.00	1.00	1.00	1.00
84	82	80	2000000000	84.00	1.00	1.00	1.00	1.00
82	80	78	2000000000	82.00	1.00	1.00	1.00	1.00
78	76	74	2000000000	78.00	1.00	1.00	1.00	1.00
74	72	70	2000000000	74.00	1.00	1.00	1.00	1.00
72	70	68	2000000000	72.00	1.00	1.00	1.00	1.00
68	66	64	2000000000	68.00	1.00	1.00	1.00	1.00
64	62	60	2000000000	64.00	1.00	1.00	1.00	1.00
62	60	58	2000000000	62.00	1.00	1.00	1.00	1.00
58	56	54	2000000000	58.00	1.00	1.00	1.00	1.00
54	52	50	2000000000	54.00	1.00	1.00	1.00	1.00
52	50	48	2000000000	52.00	1.00	1.00	1.00	1.00
48	46	44	2000000000	48.00	1.00	1.00	1.00	1.00
44	42	40	2000000000	44.00	1.00	1.00	1.00	1.00
42	40	38	2000000000	42.00	1.00	1.00	1.00	1.00
38	36	34	2000000000	38.00	1.00	1.00	1.00	1.00
34	32	30	2000000000	34.00	1.00	1.00	1.00	1.00
32	30	28	2000000000	32.00	1.00	1.00	1.00	1.00
28	26	24	2000000000	28.00	1.00	1.00	1.00	1.00
24	22	20	2000000000	24.00	1.00	1.00	1.00	1.00
22	20	18	2000000000	22.00	1.00	1.00	1.00	1.00
18	16	14	2000000000	18.00	1.00	1.00	1.00	1.00
14	12	10	2000000000	14.00	1.00	1.00	1.00	1.00
12	10	8	2000000000	12.00	1.00	1.00	1.00	1.00
10	8	6	2000000000	10.00	1.00	1.00	1.00	1.00
8	6	4	2000000000	8.00	1.00	1.00	1.00	1.00
6	4	2	2000000000	6.00	1.00	1.00	1.00	1.00
4	2	0	2000000000	4.00	1.00	1.00	1.00	1.00
2	0	0	2000000000	2.00	1.00	1.00	1.00	1.00
0	0	0	2000000000	0.00	1.00	1.00	1.00	1.00

## NEWSPAPERS, PUBLISHERS

1990	High	Low	Stock	Price	Net	Div	Yield	P/E
120	118	116	2000000000	120.00	1.00	1.00	1.00	1.00
118	116	114	2000000000	118.00	1.00	1.00	1.00	1.00
116	114	112	2000000000	116.00	1.00	1.00	1.00	1.00
114	112	110	2000000000	114.00	1.00	1.00	1.00	1.00
112	110	108	2000000000	112.00	1.00	1.00	1.00	1.00
110	108	106	2000000000	110.00	1.00	1.00	1.00	1.00
108	106	104	2000000000	108.00	1.00	1.00	1.00	1.00
106	104	102	2000000000	106.00	1.00	1.00	1.00	1.00
104	102	100	2000000000	104.00	1.00	1.00	1.00	1.00
102	100	98	2000000000	102.00	1.00	1.00	1.00	1.00
98	96	94	2000000000	98.00	1.00	1.00	1.00	1.00
94	92	90	2000000000	94.00	1.00	1.00	1.00	1.00
92	90	88	2000000000	92.00	1.00	1.00	1.00	1.00
88	86	84	2000000000	88.00	1.00	1.00	1.00	1.00
84	82	80	2000000000	84.00	1.00	1.00	1.00	1.00
82	80	78	2000000000	82.00	1.00	1.00	1.00	1.00
78	76	74	2000000000	78.00	1.00	1.00	1.00	1.00
74	72	70	2000000000	74.00	1.00	1.00	1.00	1.00
72	70	68	2000000000	72.00	1.00	1.00	1.00	1.00
68	66	64	2000000000	68.00	1.00	1.00	1.00	1.00
64	62	60	2000000000	64.00	1.00	1.00	1.00	1.00
62	60	58	2000000000	62.00	1.00	1.00	1.00	1.00
58	56	54	2000000000	58.00	1.00	1.00	1.00	1.00
54	52	50	2000000000	54.00	1.00	1.00	1.00	1.00
52	50	48	2000000000	52.00	1.00	1.00	1.00	1.00
48	46	44	2000000000	48.00	1.00	1.00	1.00	1.00
44	42	40	2000000000	44.00	1.00	1.00	1.00	1.00
42	40	38	2000000000	42.00	1.00	1.00	1.00	1.00
38	36	34	2000000000	38.00	1.00	1.00	1.00	1.00
34	32	30	2000000000	34.00	1.00	1.00	1.00	1.00
32	30	28	2000000000	32.00	1.00	1.00	1.00	1.00
28	26	24	2000000000	28.00	1.00	1.00	1.00	1.00
24	22	20	2000000000	24.00	1.00	1.00	1.00	1.00
22	20	18	2000000000	22.00	1.00	1.00	1.00	1.00
18	16	14	2000000000	18.00	1.00	1.00	1.00	1.00
14	12	10	2000000000	14.00	1.00	1.00	1.00	1.00
12	10	8	2000000000	12.00	1.00	1.00	1.00	1.00
10	8	6	2000000000	10.00	1.00	1.00	1.00	1.00
8	6	4	2000000000	8.00	1.00	1.00	1.00	1.00
6	4	2	2000000000	6.00	1.00	1.00	1.00	1.00
4	2	0	2000000000	4.00	1.00	1.00	1.00	1.00
2	0	0	2000000000	2.00	1.00	1.00	1.00	1.00
0	0	0	2000000000	0.00	1.00	1.00	1.00	1.00

## PAPER, PRINTING, ADVERTISING

1990	High	Low	Stock	Price	Net	Div	Yield	P/E
120	118	116	2000000000	120.00	1.00	1.00	1.00	1.00
118	116	114	2000000000	118.00	1.00	1.00	1.00	1.00
116	114	112	2000000000	116.00	1.00	1.00	1.00	1.00
114	112	110	2000000000	114.00	1.00	1.00	1.00	1.00
112	110	108	2000000000	112.00	1.00	1.00	1.00	1.00
110	108	106	2000000000	110.00	1.00	1.00	1.00	1.00
108	106	104	2000000000	108.00	1.00	1.00	1.00	1.00
106	104	102	2000000000	106.00	1.00	1.00	1.00	1.00
104	102	100	2000000000	104.00	1.00	1.00	1.00	1.00
102	100	98	2000000000	102.00	1.00	1.00	1.00	1.00
98	96	94	2000000000	98.00	1.00	1.00	1.00	1.00
94	92	90	2000000000	94.00	1.00	1.00	1.00	1.00
92	90	88	2000000000	92.00	1.00	1.00	1.00	1.00
88	86	84	2000000000	88.00	1.00	1.00	1.00	1.00
84	82	80	2000000000	84.00	1.00	1.00	1.00	1.00
82	80	78	2000000000	82.00	1.00	1.00	1.00	1.00
78	76	74	2000000000	78.00	1.00	1.00	1.00	1.00
74	72	70	2000000000	74.00	1.00	1.00	1.00	1.00
72	70	68	2000000000	72.00	1.00	1.00	1.00	1.00
68	66	64	2000000000	68.00	1.00	1.00	1.00	1.00
64	62	60	2000000000	64.00	1.00	1.00	1.00	1.00
62	60	58	2000000000	62.00	1.00	1.00	1.00	1.00
58	56	54	2000000000	58.00	1.00	1.00	1.00	1.00
54	52	50	2000000000	54.00	1.00	1.00	1.00	1.00
52	50	48	2000000000	52.00	1.00	1.00	1.00	1.00
48	46	44	2000000000	48.00	1.00	1.00	1.00	1.00
44	42	40	2000000000	44.00	1.00	1.00	1.00	1.00
42	40	38	2000000000	42.00	1.00	1.00	1.00	1.00
38	36	34	2000000000	38.00	1.00	1.00	1.00	1.00
34	32	30	2000000000	34.00	1.00	1.00	1.00	1.00
32	30	28	2000000000	32.00	1.00	1.00	1.00	1.00
28	26	24	2000000000	28.00	1.00	1.00	1.00	1.00
24	22	20	2000000000	24.00	1.00	1.00	1.00	1.00
22	20	18	2000000000	22.00	1.00	1.00	1.00	1.00
18	16	14	2000000000	18.00	1.00	1.00	1.00	1.00
14	12	10	2000000000	14.00	1.00	1.00	1.00	1.00
12	10	8	2000000000	12.00	1.00	1.00	1.00	1.00
10	8	6	2000000000	10.00	1.00	1.00	1.00	1.00
8	6	4	2000000000	8.00	1.00	1.00	1.00	1.00
6	4	2	2000000000	6.00	1.00	1.00	1.00	1.00
4	2	0	2000000000	4.00	1.00	1.00	1.00	1.00
2	0	0	2000000000	2.00	1.00	1.00	1.00	1.00
0	0	0	2000000000	0.00	1.00	1.00	1.00	1.00

## INSURANCES

1990</
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## Supporters fight to win majority needed for presidential changes Gorbachev's new powers at risk

By Quentin Peel in Moscow

**PRESIDENT** Mikhail Gorbachev, battered by the resignation of Mr Eduard Shevardnadze, his foreign minister, yesterday looked in danger of failing to gain the majority he needed for sweeping new presidential powers.

Presidential advisers have been urgently lobbying for support among members of the Congress of People's Deputies, where such constitutional amendments require a two-thirds majority of the 2,241-strong membership.

If they fail, the vice-presidency for which Mr Shevardnadze was expected to be a candidate, will not be set up; nor will the new system of executive power for the Feder-

ation Council, involving the presidents of all the union republics, and the direct subordination of the central government to the president.

It was reported last night that Mr Gorbachev had chosen Mr Valentin Pavlov, the finance minister, as his prime minister in place of Mr Nikolai Ryzhkov. The news came from the Interfax agency, the Moscow Radio news service which frequently has reliable sources.

If confirmed, the decision could have been another factor in the foreign minister's departure, for Mr Pavlov is a traditional bureaucrat, although a relatively enlightened one. Interfax said the new vice-pres-

**Soviet Union after Shevardnadze** Page 2

ident would be a non-Russian, reviving speculation that instead of Mr Shevardnadze, it could be Mr Nursultan Nazarbayev, president of the Kazakhstan republic.

Mr Gorbachev and Mr Shevardnadze met for two hours yesterday. The president's spokesman said they did not discuss the foreign minister's resignation, but talked about progress in disarmament talks and Mr Shevardnadze's latest visit to the US.

Last night Mr Gorbachev met the deputies from Molda-

via, who had stormed out of the congress earlier this week, to persuade them to return. In exchange, he promised a decree declaring the creation of independent republics within the Soviet Union legal, according to Mr Mircea Snegur, the Moldavian president.

The meeting was crucial in Mr Gorbachev's desperate efforts to secure a majority of 1,495 votes in the congress, where this week the attendance has dwindled to barely 1,700 because of nationalist boycotts by Armenia, Lithuania and Moldova, and widespread disaffection among radical democrats.

An urgent appeal to deputies to attend was issued last night

by Mr Georgy Kryuchkov, a member of the congress secretariat. He said that alternative proposals, to change the congress standing orders and reduce the majority required for constitutional amendments, themselves required a two-thirds majority and would lay the congress open to accusations of rigging the issue.

Mr Gorbachev has won the backing of conservative deputies in the Soviet group for his new powers. This was pledged again yesterday after the resignation of Mr Shevardnadze.

However the resignation may have decided many wavering liberals to vote against the powers, for fear of giving the president dictatorial authority.

## The fading charms of advertising

The latest plunge in WPP's share price is a vivid reminder of the astonishing state of the world advertising industry. Since the start of the year, Saatchi & Saatchi's share price has fallen by 87 per cent. WPP has now fallen 92 per cent. Between them, these two giants of world advertising control one eighth of an industry with annual gross turnover of some £200bn. Their combined market value is just £73m.

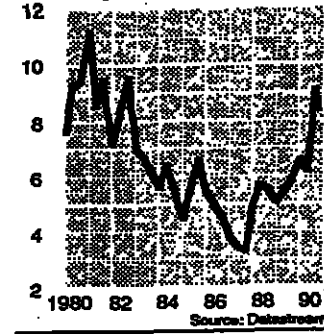
As with the UK retailing industry, the story is not so much one of collapsing demand as of impossibly grandiose assumptions of growth. In the 1973-74 recession, advertising was in comparative terms a cottage industry. The next recession of 1980-81 hit the manufacturing sector rather than services. The industry therefore came to assume that it was exempt from the economic cycle. It also assumed it was safe to finance its endless expansion through debt.

In WPP's case, the result is the revocation of the promised £28m interim dividend payment due in January. It looks highly likely that WPP will thereafter join Saatchi in the melancholy distinction of passing its preference dividend. The £200m preference issue is fortunately not due for repayment until the year 2009. It is nevertheless on a running yield of nearly 70 per cent. WPP's bankers are in the process of amending the covenants on next year's interest cover from 2.5 times - which would doubtless be breached - to around 2.5 times. It remains to be seen whether the price they exact leaves anything for ordinary shareholders.

FT-SE Index: 2,164.4 (+5.6)

ICI

Dividend yield (%)



would save a net £100m, which for a company with net debt of nearly £2bn and gearing at a comfortable 40 per cent is not hugely material. When the interim payment comes to be decided in July, the Gulf outlook will be clearer one way or another. Since a cut would finally condemn ICI to the status of a cyclical yield stock, it must be heavily against the odds. The market may come to worry about it just the same.

### Burmah

There are all sorts of reasons why Foseco lost its battle for independence. Its record was unimpressive, its top management was in a state of flux and there was considerable uncertainty about the outlook for next year's profits. That said, an exit multiple of 11 times earnings is far from generous. Some of the investors who threw in the towel were probably motivated more by a short-term need to improve their own shabby investment performance than anything more concrete. There are plenty of other vulnerable companies who could find it equally hard to defend themselves from a sensible bidder.

For Foseco, the deal is good news. After a couple of embarrassing false starts, it has dispelled fears that it would be forced to pay a silly price to satisfy its need for a major strategic diversification. But Foseco will add to its own AIG problems and, depending on how the borrowings are funded, earnings could be diluted by close to 10 per cent. Gearing rises from near nil to almost 60 per cent. Foseco needs to demonstrate fairly quickly that it knows how to maximise Foseco's undoubted potential. But given the successful execution of the bid, the market will be prepared to give it the benefit of the doubt in the near term.

### ERF

Shares in ERF Holdings, the plucky little Cheshire truck maker, have been acting curiously. From a peak of 50p in April 1989, they fell to a low of 8p this month. Ten days ago, the company reported a half-yearly pre-tax loss and cut its interim dividend, thanks to dropping UK sales. Despite that, the share price jumped 42 per cent in two days this week for no clear reason other than vague talk about a Japanese bid. Then yesterday afternoon, ERF announced its largest ever order. One wonders who knew what and when.

### Merchant Navy

It is no new phenomenon for pension trustees to disband an in-house investment team and opt for outside fund managers. It happened at the Civil Aviation Authority, Unilever and British Rail. That it should be happening now to the £1.5bn Merchant Navy fund is unfortunate for Argosy, the in-house investment management team led by Mr Geoffrey Musson. But the law is a harsh taskmaster for the pension trustees. If pensioners are better served by the fund being managed externally, so be it.

The complicating factor is the Merchant Navy scheme's 80 per cent ownership of ERF Trust, Mr Musson's pride and joy, with its raft of collection of large stakes in small or unquoted companies. Liquidating ERF, as the



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## Major urges US to be flexible on farm subsidies

By Lionel Barber in Washington

MR JOHN MAJOR yesterday delivered a tough warning that the US should adopt a more flexible stand on agricultural subsidies to help break the stalemate in global trade talks.

In his prime ministerial debut in Washington, he also made clear to Mr James Baker, US secretary of state, that the European Community needed to be more forthcoming in its own negotiating position in the stalled talks of the Uruguay Round of the General Agreement on Tariffs and Trade.

The Uruguay Round was suspended at the end of a meeting in Brussels earlier this month after disagreements over how far and how fast to cut subsidies. Mr Arthur Dunkel, GATT director-general, will try to revive the talks at an ambassador-level meeting in Geneva on January 15.

In the negotiations, the EC has offered a 30 per cent cut in farm subsidies over 10 years, but the US and the 14-member Cairns Group of farm product exporting countries sought deeper cuts.

Mr Major's day in Washington began with a blitz of early morning television interviews where he was forced to explain how he differed from Mrs Margaret Thatcher. Mr Major said the direction of policy would continue but the style would be different. "I think every politician has their own style," he said. "Of course, it will change and evolve."

During this three-day visit,

Mr Major is scheduled to meet with senior Congressional figures and he will stay overnight at Camp David with President George Bush.

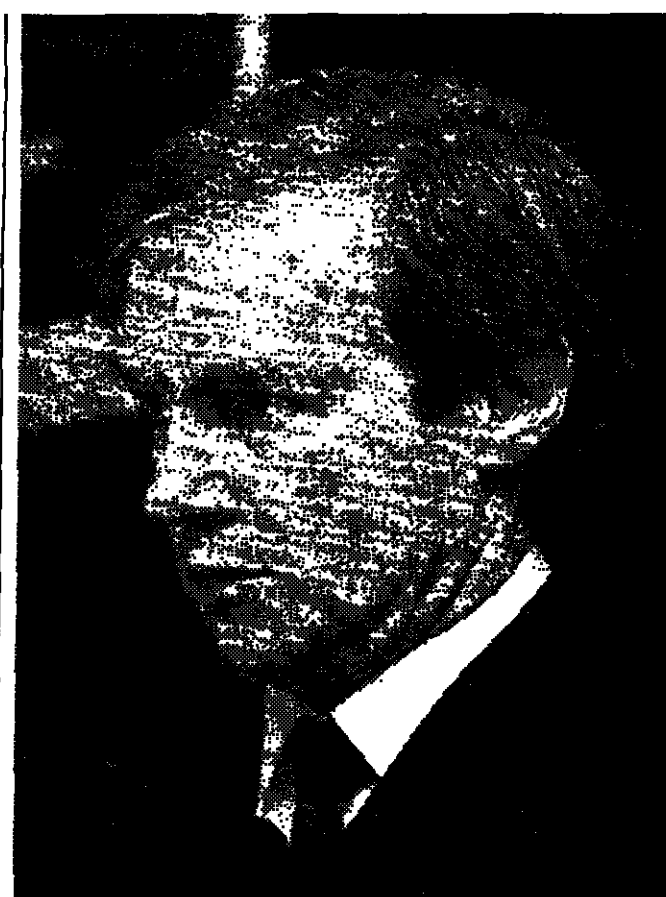
The first day of the visit was dominated by talks on the Gulf crisis and the resignation of Mr Eduard Shevardnadze as Soviet foreign minister.

Further talks are expected to focus on the co-ordination of military and political tactics if an offensive is ordered against Iraq. However, Mr Shevardnadze's resignation has thrust east-west relations to the fore.

Asked about the resignation, Mr Major said the Soviet foreign minister was a "remarkable peace-maker", and added that it would be a great tragedy if President Mikhail Gorbachev departed from his reform programme. However, the prime minister stressed that the early signs were that Mr Shevardnadze's departure would not lead to a change in Soviet foreign policy.

On Europe, Mr Major sounded more soothing than Mrs Thatcher: "I think the United States would want to see the United Kingdom absolutely central in a European Community, building and shaping the sort of community that is at present evolving".

However, the prime minister was adamant on the issue of a single currency: "There are very real economic difficulties... It would be potentially a very reckless economic thing to do."



Peter Lilley: no nationalisation by the back door

## Acquisition by French oil group referred to MMC

By Juliet Sychrava

THE £200m acquisition of the UK refining and marketing assets of US oil group Amoco by Elf Aquitaine, the French state-controlled oil group, was yesterday referred to the Monopolies and Mergers Commission.

The referral by Mr Peter Lilley, trade and industry secretary, overturns a recommendation by Sir Zoltan Borrie, director-general of fair trading, not to refer the merger and follows four similar referrals of bids for UK assets made by foreign, state-linked companies.

Mr Lilley said the implications of Elf Aquitaine's takeover of Amoco were too significant to be left to the market. He said the deal involved issues of public interest which warranted the investigation. He noted that Total Compagnie Francaise de Petrole, which has a presence in the UK market, was also influenced by the French government.

If the commission does rule against Elf Aquitaine, the group could be ordered to unwind the deal which was concluded in August.

Neither Elf nor Total has a significant share of the UK downstream oil market.

One big UK oil company said it had been asked for its views on the deal, along with other big companies. "We said we believed this was simply the working of the free market, and we had no objection."

## UK trade deficit falls to below £1bn

By Rachel Johnson, Economics Staff

THE UK's monthly current account deficit fell below £1bn for the second time this year, according to yesterday's data for November. The figures also suggest that the country's export performance is lagging in the recession.

The Central Statistical Office announced the current account deficit in November was \$971m - or £640m - compared with the previous month's £1.1bn deficit.

Since August, imports have been falling and exports rising, but the CSO said yesterday that the sharp domestic downturn had begun to affect the narrowing of the trade gap.

The value of exports in November was \$3.8bn, a rise of 1/4 per cent, and showed that companies were managing to switch some production to overseas markets. But the CSO said that export growth was rising more slowly, at an annual rate of 6.5 per cent in November after 7.5 per cent in October.

The value of imports was \$3.8bn, a decline of 1/4 per cent on the month. The Confederation of British Industry said the figures should be the cue for the government "to ease the squeeze with a further cut in interest rates". It added that the underlying rate of exports had increased on a year ago while the fall in imports reflected the economic slowdown.

Quarterly figures confirmed that the import drop coincided with the onset of recession, as high interest rates curbed demand and forced manufacturers to find overseas markets.

In the three months to November, the deficit totalled £2.5bn, the lowest quarterly deficit for almost three years - compared with £4.3bn in the previous three months.

Over the same period, the value of exports was 4 per cent higher than in the previous three months, and 7.5 per cent higher than a year earlier. Exports of cars rose by 29 per cent over the period.

The visible trade deficit, excluding oil and erratic items, shrank by £100m in November to just under £1bn.

The news was received neutrally in the City, where the financial markets' attention was trained on Mr Eduard Shevardnadze's resignation and the Middle East crisis.

Mr Gordon Brown, the shadow trade and industry secretary, said the figures "mark a poor end to one of the worst years in our trading history, and confirm that Britain is at the bottom of the European trade league".

Forecasters gloomy. Page 4

## Zimbabwe places orders worth £70m with UK truck makers

By John Griffiths

ORDERS for 2,442 trucks worth more than £70m from the government of Zimbabwe have turned round the fortunes of the UK's last two independent truck makers, AWD and ERF.

The contracts will return AWD to profitability after it suffered "serious losses" this year, and should ensure that there is no further shrinkage of the 780-strong workforce, the company said.

ERF, which is also loss-making, said its share of the contracts represents the biggest single order in the history of the Cheshire-based company.

The orders come against the background of one of the steepest slumps in the UK truck market since the Second World War. Sales have plummeted by nearly one-third this year and by one-half compared with two years ago.

Under the contracts, signed in Harare yesterday, AWD is to supply 2,000 eight to 10 tonne trucks equipped with Perkins engines to Zimbabwe's Ministry of Industry in a deal worth \$40m. ERF's contract, valued at \$24.5m, is to supply 440 35-tonne tractor units equipped with Cummins engines.

The trucks will meet more than half the Zimbabwe government's requirement, announced in May, for 4,850 trucks to regenerate its frayed transport infrastructure.

The UK government is providing Overseas Development aid grants of 35 per cent, or £24.7m, with the other 65 per cent of the contract price covered by loans supported by the UK Export Credit Guarantee Department.

The loans are being arranged by Chartered West, the merchant bank of London-based Standard Chartered Bank.

### CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (DM)			
Riesse	655	+ 30	
Aschbacher Min	795	+ 14.5	
Flinta			
Dragonwerk	255	- 13	
Hapag Lloyd	300	- 10	
Rheinmetall	300	- 9	
Veba	305	- 3	
NEW YORK (\$)			
AT & T	30 1/2	+ 1/2	
Citrus Logic	15 1/4	+ 1 1/4	
Gen Electric	58	- 1/2	
Flinta			
AMR	50	- 3/4	
Black & Decker	10	- 1/4	
Pan Am	1 1/4	- 1/8	

New York prices at 12.30pm

LONDON (Pence)			
Riesse	12 1/2	+ 3	
Aschbacher	33	+ 10	
Flinta	86 1/2	+ 17	
Dragonwerk	51 1/2	+ 25	
Nu-Swift	81	+ 13	
Piston			
Flinta			
BAT Inds	583	- 12	
BICC	340	- 13	

### WORLDWIDE WEATHER

UK today: Mild south-westerly breeze bringing rain to most parts though south east largely dry. Outlook: Changeable with wet and windy weather in all areas.

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Amsterdam	10	W 10	100	London	12	W 10	100
Berlin	10	W 10	100	Madrid	15	W 10	100
Brussels	10	W 10	100	Moscow	10	W 10	100
Frankfurt	10	W 10	100	New York	10	W 10	100
Geneva	10	W 10	100	Paris	10	W 10	100
Lyon	10	W 10	100	Rome	15	W 10	100
Munich	10	W 10	100	Stockholm	10	W 10	100
Nuremberg	10	W 10	100	Warsaw	10	W 10	100
Prague	10	W 10	100	Zurich	10	W 10	100

C - Cloudy D - Drizzle F - Fog P - Fog H - Heat R - Rain S - Snow SS - Snow-Thunder T - Thunder

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# Weekend FT

SECTION II

Weekend December 22/December 23 1990

**A**S YEARS GO, 1990 was unusually rich in headline potential. But from the perspective of the Financial Times, it was undoubtedly the year in which the plumper fowls of the previous decade came home to roost. The bill for Reaganomics came in, Margaret Thatcher was hoisted out and a surprising number of entrepreneurs who thrived in the gung-ho, free marketeering climate of the 1980s were put inside. The Japanese finally priced their own stock market bubble and then, with characteristic efficiency, exported most of the bangover after the party to the credit markets of the rest of the world. And the longest post-war economic recovery, already half throttled by the financial engineers of Wall Street, London and Sydney, met its match - well, near enough - in Iraq's Saddam Hussein.

The question it raises is, how did we all get into such a financial mess? And why did the English-speaking economies, so prone to the liberalising tendency of the 1980s, get into a bigger mess than the Germans and Japanese? Somehow the good ship Anglo-America - the vessel that is loosely called the Anglo-Saxon financial model - seems to have foundered, leaving expensive flotsam, jetsam and a raft of human wreckage in its wake. Consider this less than seasonal legacy.

**The US Savings & Loans**

As the American financial commentator Martin Mayer has remarked, the deregulation of the American thrift industry under President Reagan amounts to the greatest non-violent bank robbery in history. The Administration and Congress conspired to free the Savings & Loans, the US equivalent of building societies, to lend and invest as they saw fit at a time when their finances were falling apart. They also maintained a system of deposit insurance that guaranteed a continuing flow of funds into the shakiest thrifts regardless of managerial ability or probity. The supervisory system, meantime, was run down to provide candle-end economies.

In effect, they sacked the guards and invited the robbers to loot the system, while congratulating themselves on reducing the cost of the guards' payroll. The wonder is that the Mob bothered to persist with violent crime when this tempting white collar alternative offered such easy pickings. Less surprising is that a huge crowd of Congressmen was caught with all four feet in the trough. The bill, up to \$200bn (£105bn) in today's dollars excluding interest; \$500bn if you throw in the interest.

**Wall Street's rape of corporate America**

Well, not quite Wall Street because Drexel Burnham Lambert's junk bond king Michael Milken moved to Beverly Hills before the job was finished. But the game was the same: build up a predator with bank and junk bond financing, then let him loose on the corporate sector to buy stakes in any remotely vulnerable looking industrial or commercial giant. Confronted with a hostile takeover or to the hell - "buy back my shares at an inflated price or I'll launch a bid" - the industrialists took action. The Wall Street investment bankers, who urged any solution that promised to saddle the victim with the largest possible amount of junk and other debt while affording gigantic underwriting and placement fees to the bank.

The gravy train continues to flow as corporate America collapses: the companies have to take further advice on the sale of assets required to keep the creditors at bay. Such worthies as Goodyear Tire and Rubber, textile producer Burlington Industries and the New York store Bloomingdale's, to name but three well



## Flotsam of cut-throat years

John Plender on twelve months in which the Anglo-Saxon economies began to founder

known in the outside world, have found themselves confronting their problems with financial millstones around their necks. Even the most respected investment bankers have had their snouts in the trough.

The biggest casualty could be US monetary policy. If the Federal Reserve feels obliged to relax more than is sensible, for fear of bankrupting much of American industry. Last month the courts gave Milken his comeuppance. But Wall Street lives, ready and willing to play the parasite another day (of which more later).

**The great British credit explosion**

The bill for this particular bubble, a deep recession to address the inflationary consequences, provides half the explanation for Thatcher's departure in November. Also responsible was the poll tax, a gross error that could have been avoided had she read Adam Smith as astiduously on the principles of taxation as she read her Bruges Group briefs on Europe - which was, of course, the other fatal mistake.

It all stemmed from the age old British obsession with liberal finance and increased home ownership. The prescription invariably pushes house prices out of reach of those trying to step on to the first rung of the housing ladder, while the rem-

edy invariably involves resort to stop-go economics and unemployment in the attempt to halt an inflationary spiral.

The credit explosion also spawned a takeover boom in a country so unimaginative that it has difficulty thinking up less expensive ways of despatching inefficient incumbent management. ICI quaked and BAT Industries confronted a potential hostile offer from Sir James Goldsmith and his predatory friends. Efficient and efficient alike batted down the hatchets.

As always, a failure of monetary policy has been followed by a collapse in industrial investment. But this time one thing is different. In 1980 the British finally gave up all pretence of being able to conduct a stable monetary policy. Yet instead of imitating the more successful Germans by privatising their central bank they opted for subjugation and the D-mark tribute.

In the Exchange Rate Mechanism interest rates fell not when UK domestic economic conditions made it necessary, as now, but when German domestic economic conditions require, which is not yet. If that sounds odd, wait until next year when we may have real moonshine in the inter-governmental conference on European Monetary Union. It is too much to hope that those who have hitherto been content to hide behind Margaret Thatcher's skirts

will feel obliged to inject some realism into the debate? Would the deficit-laden Italians please come clean?

Also new is the attitude of the authorities to financial spies. In the past, City watchdogs could be relied on not to round up the usual suspects when evidence of wrongdoing emerged after a boom. But not any more. Ernest Saunders, Gerald Ronson and Anthony Parnes are serving time for illegally rigging the market to facilitate Guinness's bid for Distillers, leading City folk who advised them face trial in the new year. For want of £3m bail Polly Peck's Asit Nadir has kicked his heels for much of this week in Wormwood Scrubs. And now the Serious Fraud Office boasts at its head a fierce female QC, who promises strict correction (and American-style television exposure as the police conduct high profile raids on head offices) for wayward financiers. Everywhere the round-heads are back in charge.

**The (temporary?) demise of the Australian entrepreneur**

In the 1980s Australia became the residual sink for the financial diseases of the Western world. John Elliott, Alan Bond, Rupert Murdoch (who has since taken American nationality), and the late Robert Holmes &

Court, among others, piled bank debt and junk bonds on to frail balance sheets in a newly liberalised financial climate. The collective achievement of these inheritors of the bush ranger's tradition was to notch up an external private debt mountain as they went raiding in foreign markets - so much so that Australian monetary policy was potentially hostage to their deal making fortunes overseas.

The Australian entrepreneurs undoubtedly brought colour to the world's financial markets. But most of them were little more than the creation of improvident bankers, which no doubt explains why they did so little to strengthen the tradable goods sectors of their respective economies. Alan Bond, now facing charges relating to the collapse of the Rothwells merchant bank, did at least demonstrate to the world what most of us always suspected: bankers have forgotten how to read a balance sheet - witness the fact that much of his debt was incurred when his balance sheet showed a deficiency of net tangible assets.

**The Anglo-Saxon endgame**

Where does all this leave the poor Americans, British and Australians? Their banks, to a greater or lesser degree, are in trouble. Their balance of payments is in

deficit on current account partly as a consequence of the spending spree unleashed by financial liberalisation. And the games with junk bonds and the rest are over.

Significantly, it was the Japanese who blew the whistle when they declined to finance a highly leveraged deal for United Airlines of the US late last year. And now they are demonstrating the nature of the end-game by buying up Hollywood. New York's Rockefeller Centre and just about everything else in sight. The Germans, meantime, have been busy buying chunks of the US record and publishing industries. As the American family silver is popped (if you will excuse a mercantilist metaphor), the only questions are whether US banks will have to be rescued by foreign buyers or by American industrial companies with aspirations in financial services, and how much the taxpayer will have to stump up for past folly. Meanwhile the British are selling their only remaining computer manufacturer to Fujitsu (while continuing to buy up America on someone else's money) and the Australians are selling off Queensland to Japanese investors. The investment bankers, as ever, collect the fees as their impoverished domestic clients head through the exit.

Has the time come to acknowledge that in banking, as in monetary policy, the Germans and Japanese handle these things rather better? In the past their respective cultures have been heavily biased towards debt rather than equity. Their banks conduct much closer relationships with industrialists and their markets are relatively illiquid. Their entrepreneurs invest in products, not in hostile bids and deals. In short, their financial systems are servants, not masters, of domestic industry and commerce.

The Anglo-Saxon attitude towards these dangerous foreign habits is that they are too alien to provide a model. Yet oddly enough the debt financing tradition is not as foreign to the English-speaking economies as often assumed. In 1883, when the British economic ascendancy was just past its peak, 83 per cent of quoted UK securities related to governments and railways, consisting largely of debt. The equity culture was a more recent invention.

Nor is universal banking, in which securities underwriting and commercial banking are combined in one institution, so alien a thing in the US. It was merely killed by the Glass Steagall Act in the 1930s. Hostility to the American universal banks rested on fears of monopolistic concentration and potential conflicts of interest - criticisms that can also be heard today of German banks. The target of criticism was usually J.P. Morgan, whose partners peopled the boardrooms of US industry. Yet a recent study for the US Bureau of Economic Research by Bradford de Long suggests that the cost of those conflicts was outweighed for industrialists by the confidence effect they enjoyed as a result of backing from Morgan. The same study finds an interesting statistical correlation between Morgan's presence on the board and enhanced share price performance in the companies concerned.

All of which makes sense, since Morgan's men provided one crucial thing that has been conspicuously lacking in the highly liquid equity markets of the English-speaking world: a monitoring discipline over wayward management. That, of course, has been provided by banks, and to a lesser extent government, in Germany and Japan. The irony is that the liberalisation and globalisation of finance is finally beginning to infect these notably successful systems. But Anglo-Saxons should not indulge in premature *schadenfreude*. On past form the Germans and Japanese will find highly effective ways of managing the disease.

## The champagne loses its bubbles

CHRISTMAS IS almost upon us, but there is still just time to lay in supplies for the festivities. To make a change from the usual gloomy discussion of bear markets and economic recession I thought that this time I would suggest a mixed case made up of the dozen best wines that I have sampled during 1990.

1. Frankfurter Bundesbanker Spätlese 1990 (sometimes known as Pöhlwein)
2. Californian Liebfraumilken
3. This can be drunk now, but it is one that many Americans are regarding as best looked away for a few years. Some what assertive in style, it is a controversial choice, being regarded as mere junk by many experts, but there has always been very high level of interest in this wine. It is somewhat variable in quality, however, and may fall a long way short of expectations if retained to ultimate maturity.
4. Extra-Dry-Breze

wine, this is now being marketed as a flat blend by the new proprietors, M Dreyfus. It originates in a zone strictly delineated by the Maurice and Charles domaines, in the South of France. But enjoy it while you can at the current much lower prices, because despite being replanted with largely American rootstock the estate is threatened by disease and erosion.

5. Chateau Lamont, Vin Rosé Nouveau 1990
6. This one was rushed out for consumption on November 23. The vineyard was originally a Rothschild property, but now a major stake is owned by other interests. It may be presumptuous but it is fresh and fruity, and unexpectedly dry with a steely aftertaste and impressive 14 per cent strength. If kept, it may well mellow by the spring depending on the temperature and the pressure, and the cellar managers forecast that the cloudiness should disperse later in the year.
7. Vin Nicholas extra sec
8. This was the controversial winner of the recent *Spectator* magazine wine award. It is a highly conservative blend, admittedly heartily disliked by German wine drinkers because of the massive dose of raspberries. But with its bone-dry body it is a firm favourite of certain British tipplers, especially around the clubland circuit, albeit spoilt for some by the abrasive aftertaste and the smoky bouquet.
9. Bonny's Creek Bin 90
10. Famous for its spectacular deep red style, this is a typical gutsy and pugnacious Aus-

### The Long View



Although 1991 looms menacingly there is still time to drink a toast to 1990, in any one of twelve Wines of the Year

lian concoction. Despite borrowing heavily in its formulation from Europe and America (and, in fact, from just about everywhere) it succeeds in achieving a distinctively Down Under character. You will appreciate the cheeky aggression, fruity overtones and long, lingering finish. Don't worry about the price, your bank

manager will gladly help. Best drunk soon, as, like most Australian wines, it may not last well.

7. Domaine Delors E.C.
8. Featuring the new Euro-appellation Contrôlée, this is a so far only partly-successful attempt to combine as many as 12 different national varieties into a single blend. In parts of the Contrôlée it is thought ready for drinking now, although some experts believe it should be left until 1994, or even 1997, before the various flavours will fuse together satisfactorily in later stages of development. It goes perfectly with Brussels sprouts - mmml.
9. Champagne Lawson 1987
10. Make sure you obtain the 1987 version - subsequent vintages have been very disappointing, especially the 1989 (even though this *grande marque* was regarded at the time by insiders as "unassailable"). The '87 represented something of a miracle, with a plump and full style, although the short-lived attempt to copy German quality control standards for sekt proved misguided and contributed to the poor subsequent vintages. It is still a great favourite with yuppies in City of London wine bars.
11. Heselvine Manor 1990
12. English wines have come into their own in the changed climate of 1990, and after four barren years of chilly winds the Heselvine estate has leapt into action following a sudden flowering. Unfortunately the second fermentation was not quite as successful as the first, but the product is now defi-

nately back in the display cabinet. Incidentally, the proprietor has won an environment prize.

10. House Red (Holborn Vineyard)
11. Now being sold off in bulk or in singles, at a cut price for prudential reasons associated with the recent high interest rates, this one is almost worth mortgaging your house for. A faintest hint of sour grapes is buried in a delicious flood of spiciness, pungent raspberries and acidity, with biting after-effects. Offers are invited.
12. Federal Reserve
13. Definitive American selection from the crumbling banks of the Red River, in the Knacker Valley. Ignore the lengthy health warnings from the Surgeon General, these apply to pregnant women and operators of heavy machinery but not to normal consumers of under \$100,000 worth. Pressing is by a special "crunch" technique which may reduce yields, and success may depend upon pumping in liquidity at the right moment; watch for more attractive discount offers.
14. Blue Lady
15. A once highly popular branded wine, it seems odd that this market leader has suddenly fallen from favour. The taste has not varied, but perhaps the strident overtones and steely dryness are out of tune with modern kinder, gentler tastes, and it could be that the marketing campaign has failed to adapt to changing consumer preferences. The bag-in-a-box version is recommended (but is not thought suitable for parties).

## Seldom has there been a better time to invest.

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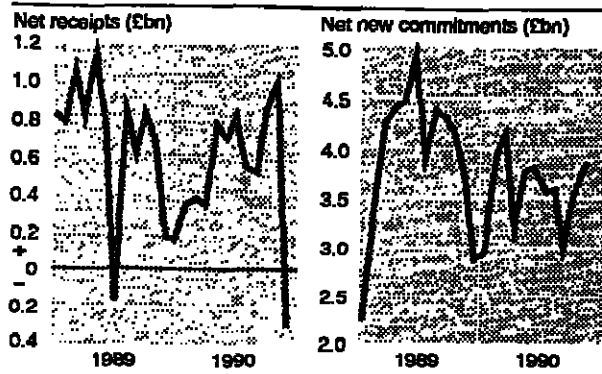
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## MARKETS

## FINANCE &amp; THE FAMILY: THIS WEEK

## Building Societies



## Net outflow from building societies

The building societies suffered a net outflow of £308m last month as small investors rushed to apply for shares in the electricity privatisation, according to the Building Societies Association.

This is the first net outflow of funds from the building societies since July 1989, when Abbey National converted from a building society to a listed company.

However, the BSA expects that much of the money will flow back into deposits in the next couple of months: as the electricity issue was oversubscribed, many investors will be receiving their cheques back in the next few weeks, and others who decide to sell their shares are likely to redeposit the proceeds.

Furthermore, the introduction of Tax Exempt Special Savings Accounts (or Tessa) in January is likely to encourage savings and attract deposits for the banks and building societies.

On the mortgage side, lending increased for the third consecutive month with net new commitments amounting to £3.85bn.

The BSA warned that the mortgage and housing markets would remain subdued over the next few months unless there was another cut in the base rate. Sara Webb

## Slack trading in unit trusts

Trading in unit trusts was very quiet in November with just £522.7m worth of units being bought and £471.7m worth sold, leaving net new investment of £51m for the month. Whether the industry finishes with a positive balance depends very much on whether life companies carry out another switch from units into shares in December. It will not require much switching to swallow up the £207.9m net new investment achieved so far this year. Eric Short

## Money market fund launched

Swiss Bank Corporation is launching an International Money Market Portfolio in January for investors with a minimum sum of \$1m.

The bank will invest the funds in money market deposits in a spread of currencies with a minimum of 40 per cent of the assets invested in the base currency. S W

## Christmas reading

The Good Retirement Guide 1991 by Rosemary Brown (price £12.99) is a new guide covering different aspects of retirement from finances to leisure activities.

Murray Noble has produced a report called *Ten Best Ways of Reducing Your Income Tax for Managers and Senior Executives*, available from Murray Noble, 41 Whitehall, London SW1A 2BY for £3.50. Profits go to Shelter. The guide covers pensions, company cars, mortgages, investments and inheritance tax.

For those more concerned with how to keep up with the bills rather than how to make the most of their wealth, the Child Poverty Action Group has produced a *Rights Guide for Home Owners*, price £5.00. It covers topics such as dealing with mortgage arrears and how to obtain grants. S W

## Electricity share offers

Crown Unit Trust Services is offering to exchange electricity shares for holdings in its unit trusts, free of dealing charges.

Crown has a range of nine unit trusts: the minimum investment is £500 and will accept any size of share allocation as part of full payment.

Independent Professional Advisors Services is offering to sell electricity shares at a flat rate of £10 per share in electricity company. The offer is available until January 15 and covers up to four members of the same household for transactions of up to £1,000.

Customers with the Lambeth building society and Town & Country building society who were disappointed in the electricity privatisation will have interest on their cheques backed to December 4. S W

## INSIDE...

## Loans to carry health warnings

David Lascelles reports on the government's continuing crackdown on the irresponsible marketing of credit, which should make it much harder for lenders to engage in the dubious practices. Eric Short discusses details of a pleasant surprise for some investors holding certain 25-year, high-yield savings contracts which mature next year. And Sara Webb concludes our Family & Finance series on investment trusts with a look at the role of Personal Equity Plans in the sector. Page IV

## Minding Your Own Business

Sinclair Robleson meets a model businessman who swapped a career flying fighters in the Royal Air Force for a business making model boats. Olive Fawcett reports on a toy maker who is already busy making plans for next Christmas, and Peter Wilson of the Enterprise Partnership gives tips for surviving in a recession. Barbara Conway continues our series on business software with a light-hearted look at computer games. Page V

## LONDON

## The broker that got it right — in retrospect

IT HAS BEEN an excellent year for Back, Track & Hind-sight, the little-known stockbroker.

Market analysts at larger securities houses have filled rubbish skips with circulars, no sooner published than rendered out of date by 1990's fast-moving political, diplomatic and economic events.

What happened to those January reports which forecast the FT-SE 100 Index would rise to 2,700 by the year-end, for example? At the close last night, Footsie was standing at 2,164.4, nearly 11 per cent down on the opening level of 2,432.7 when trading started back on January 2. No wonder so many City staff are facing the sack — they are not up to the job of providing accurate forecasts.

But from their unassuming offices in Old Moore's Court, EC3, BT's crack equities team has provided a steady flow of uncannily retrospective reports for clients: briefing notes like

"Too Late Now To Buy Oil" (August 4); "We Knew She Would Resign" (November 24); and their mind-blowing circular "ERM: One Week After The Best Moment To Buy Equities" (October 6).

In the last 12 months, the broker has not made a single mistake. But even Nick Nostradamus, BT's glib, 110-year-old head of UK equities, would admit that 1990 has been a difficult year.

The problems of forecasting for 1990 can be summed up in three words, or, to be more accurate, a noun, an abbreviation, and a proper name: recession, ERM and Saddam.

Recession — in the UK and worldwide — has provided the sombre backdrop to all equity investment this year. For almost everybody except John Major, in his incarnation as Chancellor and then prime minister, the technical definition of recession (two consecutive quarters of falling output)

has proved less important than the practical realities.

Significantly, Footsie reached its peak of 2,432.7 for the year — indeed, its all-time peak — on the second day of trading in January. At that stage, and for most of the year, the bull-talk was of possible cuts in interest rates; at the same time, some analysts were optimistic that a continuing drift downwards for sterling would ease pressure on overseas earnings, which make up about 45 per cent of profits from Footsie companies.

But the seeds of continuing indication were already being sown. A round of double-figure pay-bargaining began with Ford, the motor company, and growth in retail sales indicated that the fast-moving economy was difficult to slow down. Under those circumstances, a reduction in interest rates began to seem a faint hope.

In fact, the pressure was already beginning to tell,

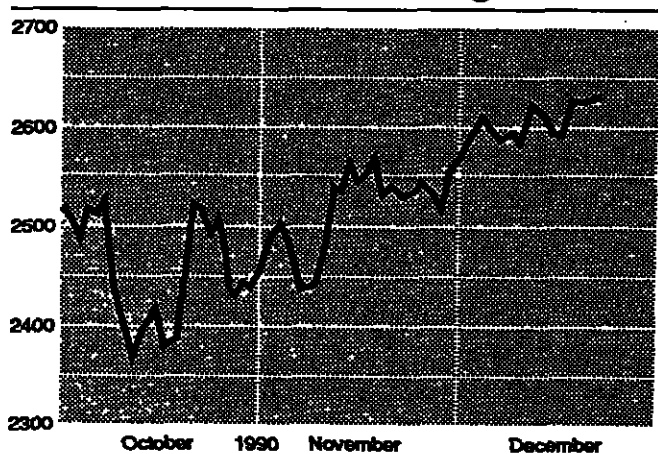
## HIGHLIGHTS OF THE WEEK

	Price	Change	1990	1990	
	1 day	on week	High	Low	
FT-SE 100 Index	2164.4	-4.0	2463.7	1990.2	Shevardnadze resignation
Allied-Lyons	475	-13	520	408	Fears of stock overhang in new year
Courtney, Pope	38	+17	170	15	Recovery hopes
European Leisure	27	-11	94	22	Chairman warns on trading
Hawker Siddeley	440	+22	741	375	Recovery & long-term prospects
ICI	888	-21	1263	805	Co indicates profits less than £1bn
Midland Bank	194	-19	404	176	HK Banking abandons merger plan
Mosaic Inv	280	+25	370	252	Interim results
NetWest Bank	269	-13	368	227	More profit downgrades
Pittlington	183	+10	255	130	Renewed bid speculation
Racal Telecom	276	+16	415	227	Henderson Creditwatch "buy" note
Rosehaugh	80	-16	476	60	Receding hopes of rate cut
Transport Dev	219	+9	248	181	Increased Proventus stake
Unibet	209	-39	398	207	Broker lowers forecast
WPP Group	50	-29	715	42	Profits & dividend warning

## WALL STREET

## Funereal bells sound an alarm

## Dow Jones Industrial Averages



symbolic importance — a high profile demonstration that the Fed wants the cost of credit to ease throughout the economy — and practical consequences: it paved the way for the central bank to engineer another quarter point reduction in the key Fed Funds rate to 7 per cent on Wednesday.

This in turn has started to bring down the commercial banks' prime lending rates — the benchmark for many commercial and consumer loans — although the banks have been trying to maintain the 10 per cent level of the past year as long as possible to shore up their sagging profit margins.

The banking sector's problems are writ especially large at Citicorp and its most startling announcement this week was the dividend cut.

Several other large New York rivals have already lowered their dividends, but only a few weeks ago John Reed, Citicorp's chairman, was still insisting that this was a highly inefficient means of preserving capital.

Precisely what changed his mind is uncertain, for Citicorp was sitting tight this week and refusing to elaborate on a statement which merely said the move reflected "marketplace realities".

A possible explanation is that the lower pay-out will help the bank with its efforts to place \$1bn of convertible preferred shares with international investors, who before the cut could have got a higher yield on the bank's common stock than the new issue.

The move followed a regular, but much anticipated,

## Inspection of Citicorp's books by bank examiners

Some analysts had forecast the bank would need to add some \$2bn or more to loan loss provisions, given that those it has made to date are proportionately far lower than most of its New York rivals.

In the event, the bank's anticipated fourth-quarter increase in commercial provisions is far lower than that — some \$340m.

This could be interpreted as a sign of support by the examiners, giving the embarrassed Reed some breathing space as he tries to rule the \$1bn off fresh capital.

Nevertheless, many Wall Street analysts think the bank remains severely under-reserved and the relatively low fourth-quarter provision simply means that the agony will be spread out over many quarters to come.

Still, Wall Street had its own red faces this week when Prudential-Bache, one of the larger brokerage firms, announced a likely 1990 loss of \$250m — far larger than expected.

It also unveiled restructuring moves which will conclusively bring to an end its loss-making attempts over the past four years to become an all-embracing investment bank.

All this is a major embarrassment for its conservative parent, the Prudential, the largest insurance company in North America, which has had little to do with the bank's problems.

Both the Citicorp and Prudential setbacks are just part of a painful contraction of the financial services industry which has a long way yet to run.

On Wall Street, the bells toll this Christmas will have a distinctly funereal air.

Martin Dickson

## SMALLER COMPANIES

## At last, a note of optimism

THOSE INVESTORS in small companies who have recently seen very poor returns from the British stock market must have wondered if the grass might be greener overseas.

The answer would appear to be: not necessarily. At least judging by this week's results from Foreign and Colonial Smaller Companies, the small companies international investment trust in the F&C group, which traces its origins back to 1899.

In the six months to the end of October, the trust saw its net asset value per share fall 15 per cent to 82.9p and its share price fall 9.6 per cent to 70.5p.

These movements compare with falls of 14.7 per cent in the UK's Hoare Govett Smaller Companies Index, 31.7 per cent in the US Value Line Composite Index and 2.6 per cent in the Tokyo Second Section Index.

In view of these figures it might come as some surprise to learn that the trust has sold half its Japanese portfolio in the last year and is determined to raise its UK exposure from its already historically high level of 58 per cent.

Jeremy Tighe, the director in charge of the UK portfolio, insists that the trust's commitment to international investment is undiminished: he just feels that the UK offers far the best prospects at the moment.

When Japanese small companies started to outperform the falling Tokyo market at the beginning of the year, the trust took the view that this could not last and started to run down its portfolio.

The proceeds from the Japanese sales, however, have been used to buy back shares in the trust's gearing is currently standing at 4 per cent. In the early 1980s, gearing was in the twenties and Tighe expects it to be back up to 10 per cent within the next six months.

The trust is convinced that there are now real buying opportunities in British small companies, although most of its UK purchases have been made in the last six months have underperformed the market.

Tighe attributes much of the disillusionment with small companies in the UK to the collapse of entrepreneurs he describes as "Thatcher's children" — businessmen who borrowed heavily, expanded rapidly by issuing highly rated shares, and then got into difficulties as high interest rates choked off the credit boom of 1987-88.

However, he now thinks that the coming recession has been fully reflected in the market's current low share prices. Because the management in this sector tends to be more committed, he believes that small companies will always have the greatest potential for rapid growth.

One consequence of the

decline in corporate activity and low turnover in UK small company shares is that brokers have been cutting the number of analysts who follow small companies. This can give an edge to institutional investors, who forge close links with managers.

Tighe says that most of the trust's decisions to invest come from personal contacts — often recommendations from managers of companies in which it is already investing about their competitors.

As for the overseas outlook, F&C believes that small company share prices in the US are looking very cheap, although Tighe admits that people have been saying that for several years. The trust has 18.6 per cent of its funds in the US and has obviously suffered from the recent decline in the dollar.

F&C also considers that the fall in the dollar could be about

to be reversed and will adjust its currency management accordingly.

Last year the trust gained from switching yen borrowings into dollars and then placing the proceeds on deposit in sterling. In spite of having 22 per cent of its funds in the Far East, Tighe remains extremely wary of the Japanese market at its present level.

F&C is in no doubt that in the longer term, the greatest investment opportunities exist in Europe. But Tighe warns: "Small companies in Europe are a minefield. There is very little coverage and there are huge cultural differences in accounting and business practices."

The trust benefited from its link-up year with Hypo, one of the biggest German banks, which bought half of the F&C group's managing company, Hypo sent over its senior German equity analyst, who has been advising the group.

At present the trust has only 11.1 per cent of its funds in Europe, almost all of it in Northern Europe. Tighe is sure that that level of exposure will increase, but says that the expansion will be cautious — particularly in the Mediterranean countries, where the business environment can be very difficult.

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Andrew Bolger

## COMPANY PROFILE

## Midland ends the year on a low note

THIS WAS supposed to have been a historic year for the Midland Bank. There was to be a merger with the Hongkong and Shanghai Bank to form one of the largest banking groups in the world.

Instead, the two banks were forced to call it off this week because of the heavy losses both have suffered from bad debts. This was not the time, Sir Kit McMahon, Midland's chairman said, to tie up management trying to put together a complex marriage.

There was a note of sadness in his voice. For Midland, the deal could finally have resolved the endless problems which have dogged it for nearly a decade. Midland has, proportionately, the largest Third World debt exposure of the Big Four clearers, and the highest costs. The Hongkong Bank would have provided it with much-needed capital

strength, and enabled it to hold its head high again as "a global bank".

Instead, Midland will now have to make its own way in what are, by any standards, exceedingly difficult times.

Like all the clearers, Midland is a complex animal. It is the third largest of them, the bulk of its profits come from the familiar high street banking business with its yellow griffin emblem. This produced £420m of the group's \$616m operating profit last year. Another good performer was the Thomas Cook travel group which has been part of Midland since 1972. That earned £23m, up from £14m the year before.

But virtually every other large division reported lower profits because of the worsening economic climate. Forward Trust, the finance house, was down from £30m to £45m. The worst performance came from

Midland Montagu, the group's corporate and investment banking arm, where profits were more than halved from £14m to £7m. This was partly because of bad debts, but mainly because of an ill-judged gamble on interest rates which left it with a lop-sided treasury book.

That was not the end, because Midland was then forced to make £87m of provisions against its Third World loans which left the bottom line £261m in the red. Even so, Midland was not financially strong enough to make the same amount of provisions as other clearers, which means its cushion against loss is not as well padded.

The tale of woe continued into this year when Midland reported profits of only £36m at the half-year stage, down from £315m the previous year. Again, bad debts and the trea-

Midland figures (£m)		
	1990	1989
UK banking	264	69
Midland Montagu	(2)	(7)
Developing countries	44	5
Thomas Cook	9	13
Exceptional charge	(646)	(36)
Group	(531)	38

sury book were to blame, with Midland Montagu reporting an overall loss of £7m. This leads analysts to expect very poor results for 1990 as a whole. The latest forecasts suggest that Midland will make no profits at all; it might even report another loss.

How, then, will its future shape up?

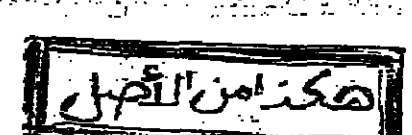
Sir Kit is determined to make a viable, independent bank out of Midland. But this will require some drastic action. Thousands of staff will

be laid off, where possible, segments of the business will be sold to shrink the balance sheet, and the long-running battle against costs will be stepped up.

Not surprisingly, Midland's shares have been poor performers, buoyed for a while only by hopes of a Hongkong merger. The stock market values Midland at about £1.6m, less than half Lloyd's Bank, whose balance sheet is not even as big. In normal circumstances such a company would be ripe for takeover, but there are a couple of factors providing Midland with some protection.

One is the general state of the banking business. So many banks are under pressure at the moment that the number of potential acquirers is very small if not zero. Any bidder would also have to do a deal with the Hongkong Bank which owns 14.8 per cent, but

David Lascelles





## FINANCE &amp; THE FAMILY

Philip Coggan on reasons for New Year share buying

## The January effect



SHOULD you be tucking equities into Christmas stockings? December has traditionally been one of the best times to buy shares, because of the so-called "January effect". According to Datastream, the FT All-Share rose during 21 of the 26 Januarys between 1965 and 1990, with an average rise of 0.1 per cent.

Of course there is an innate tendency for share prices to rise, if only to keep pace with inflation, but the average monthly rise for the whole of the period is just 1.6 per cent, indicating that investing in January produces investment returns which are three times better than any other month.

The return is rather distorted by the miraculous January of 1975, when the All-Share rose by 63 per cent as the market rallied after the oil price shock, miners' strike and general depression of 1974. But there were two other years - 1977 and 1989 - when the market rose by more than 10 per cent.

The rule did not apply in 1990 as the All-Share fell 2.6 per cent in January this year. However, there has only been one instance when the market fell in two successive Januarys - 1973 and 1974.

Research by Paul Walton of James Capel shows that there is in fact a December-April effect, with equities rising by an average of 12.6 per cent during those five months in the 25 years from 1965 to 1990. In the seven months from May to November, the market has actually fallen by an average 1.1 per cent over the period. That statistic bears out an old investment adage - "sell in May and go away".

Walton's illustration of this very poor illustration of this example. The All-Share fell in the December to April period and rose (although only slightly) in

the May to November period. Walton says that the December to April period has only been a less successful time to invest during the bear markets of 1969-70, 1973-74 and 1980. What possible explanation can there be? No-one is certain. In Barton Malkiel's book, *A Random Walk Down Wall Street*, he mentions one possible explanation for the January effect in the US - investors sell securities at the end of

December to establish losses for tax purposes and buy them again in January. On the surface, the London market should not benefit for the same reason as the UK tax year ends in April. However, UK investors do have a strong tendency to follow Wall Street, so if the Dow Jones is rising the All-Share is likely to follow. Walton certainly feels that US tracking could be a significant part of the explanation of

the "January effect". The possibility that tax is a significant factor is given greater credibility by the fact that the second-best month for UK equities is April. For the two best months for shares to be the start of the US and UK tax years respectively seems too important to be a coincidence. There are snags in this argument. If investors are simply buying back shares they have

bought at the end of the previous tax year, the market ought to show compensating falls in December and March, but the market has a tendency to rise in both months. Also, many of the institutions - the investors which drive the market - are tax exempt so have no need to include in such strategies. Private investors, who do need to worry about capital gains tax, do not have the buying power

to make the markets move so sharply.

Walton highlights a number of explanations for the December to April effect. "Institutional investors are commonly supposed to realise profits during the fourth quarter ready for end of year reviews; the general enthusiasm brought forth by the spring, and company results, is also supposed to explain why prices rise."

"Dividend payments made in the December through to March period are also heavier," says Walton, which may mean that the institutions are flush with cash which they channel through to equities.

Perhaps psychological reasons offer the most likely explanation of the January effect. The turn of the year is seen as a "fresh start" prompting investors to make decisions about buying equities.

"There is a tendency for investors to buy the things that have gone down most in the previous year," says Bill Smith of Barclays de Zoete Wedd. This contrary impulse is positive for share prices as institutions are net buyers of equities, and thus less willing to sell the best performers of the previous year.

Smith also argues that investors take annual asset allocation decisions in January, and as they know that equities rise in most years, that prompts them to buy shares.

There may also be a deceptively simple explanation. The January effect has been shown to exist, so investors buy in order to take advantage of it. That is just the kind of circular reasoning the City loves. However, do not forget that in January 1991, the market could well be affected by the January 15 deadline for Iraq to withdraw from Kuwait.

## Astrology

## Venus and the Footsie

Daniel Pallant on the place in the Zodiac for bulls and bears

IN RECENT years the stock market has fallen in the autumn, choosing the exact timing apparently at random, sometimes as early as September or as late as November.

Many of these falls have been very important, such as the crash of October 1987. In the last four years I have accurately predicted three of them in advance in the *Weekend FT*.

Although prediction is complex, one outstanding effect can be illustrated easily: that is the Venus Ingress effect.

Every year the planet Venus orbits the Earth in company with the sun, passing through all 12 signs of the Zodiac. As there are 360 degrees in a circle, it follows that each sign contains 30 degrees. A planet makes an ingress by passing from one 30 degree sector to another. For some reason, this occurrence is of great significance to financial markets.

Not only does the stock market change direction at these times, but there is a tendency for markets to be bullish or bearish when planets occupy certain places in the Zodiac where they have special force.

During the past 55 years the FT-SE 100 index has made approximately 680 daily moves of 2 per cent or more. They are of sufficient importance to attract press comment, and represent about 4.5 per cent of trading days. If there is a strong planetary influence at work it would tend to show itself during these particularly volatile days.

The charts below show the FT-SE 100 index after the Venus ingress into Scorpio of the last two years. Going back further in time, there is only one year - which was 1985 - where the expected bearishness was delayed. In most of these cases the market showed heavy falls, including the crash of 1987. The mini crashes of 1989, October 1989, November 1989, September 1979, and many others, were also triggered by Venus/Scorpio ingresses.

Venus can generate very bullish conditions as well. Sometime between February and May, Venus makes its ingress into Aries, and the result in recent years has been very bullish.

The Venus effect is one influence among many, and to see actual price trends and turning points in the FT-SE 100 index all these influences must be analysed by computer. The result is the astrological coefficient.

Early in the morning of January 16, the moon and Saturn come into conjunction. This happens every month, but on this occasion the moon is also in conjunction with the sun, and in such a fashion that there will be an eclipse. At the time of conjunction it is on the ascendant, or rising, at Baghdad. The moon/Saturn conjunction is well known as an important influence at major events. It was rising at Dallas when they shot President Kennedy, and Chernobyl blew up within a few hours of one in April 1986.

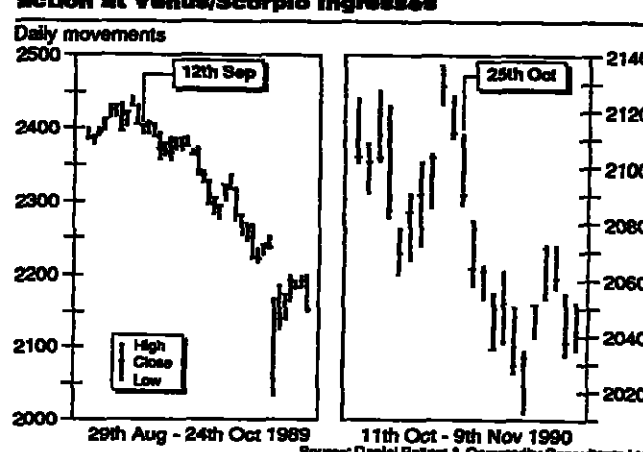
More recently, Margaret Thatcher lost office five months after the one in November. Its coincidence with an eclipse will mark a major watershed in world affairs. If President Bush starts a war on that date his action will go down in history as the biggest single act of human folly in modern times.

In the horoscope, in the US it showed a great loss of national wealth and international credibility. It appears to mark a major change for the worse in the financial status and security of domestic life of the US.

The chart of Iraq is not so badly affected, although it seems bad enough. Unfortunately for the West, it appears that we cannot win. If the US withdraws, it will lose all credibility as defender of world peace.

It is vital that this business should be negotiated away, and I think that this will be the eventual outcome, after a very long and protracted stalemate. The astrological coefficients do show the market falling at the end of January, but the fall does not seem bad enough to indicate a war.

## FT-SE 100 Index action at Venus/Scorpio ingresses



Source: Daniel Pallant & Co. Astrological Consultants Ltd

Kevin Goldstein-Jackson translates company-speak  
Bid sentiment rumours mix

WE CAN all hear what they are saying, but what do they really mean? The City has a jargon all of its own and here we offer a Christmas guide to the real message behind those weasel words.

## Chairman

The reorganisation and restructuring are almost complete - God knows what excuse I'll be able to give next year if we're still reporting losses.

The company is doing especially well overseas - Business looks rather flat at home. We must try to counter the lack of understanding of our industry. We will be changing our public relations people. We are delighted to record that our deputy chairman/chief executive/managing director received a knight-hood/CBE/OBE earlier this year. The company is a regular contributor to the funds of a political party.

Due to circumstances beyond our control - We were asleep at the time.

Barring unforeseen circumstances - If profits go down, it's not my fault.

Future prospects look bright - Present prospects are disappointing.

This will help the company's standing in the world - This may not add much to the company's profits, but it will give a boost to my ego.

Our balance sheet remains strong - Profits were disappointing/we made a loss.

Our objective is long-term capital growth - We were incapable of making good profits last year.

Last year, we laid the foundations - Last year we didn't make as much profit as we hope to make this year.

Shareholders should reject the offer for our company, which is totally unrealistic. They haven't promised me a job with an enhanced salary if they take us over.

We are very pleased to welcome on our board as a non-executive director - At last we've found someone who'll do as he's told/he's agreed that one of his companies will give my son a job.

## Analysts

A good buy - Would we ever recommend a bad buy? A long-term buy - We originally recommended these shares as a short-term buy, but we were wrong.

Hold - We think the shares are going to go down but we do not want to say so as we are brokers to the company.

Bid rumours are in the price for nothing - There are not any bid rumours but I've just started one in the hope that the share price shoots up.

Despite their recent sharp rise - We did not predict their recent sharp rise.

The shares are overvalued - We did not recommend them but the share price has shot up.

Sentiment is mixed - No-one knows what is happening.

We are reducing our forecast of profits - Our earlier forecast was wrong.

The management team is excellent - The management has just given us a good lunch.

From Share Millions by Kevin Goldstein-Jackson, £1.99. Available by post for £2.99. Elliott Right Way Books, Kingwood, Tuddor, Surrey, KT20 6TD.

Heather Farmbrough examines Kleinwort Benson's investments  
Steady as they go

Unit and Investment Trusts under management				
	Size (£m)	Launched	Performance over 3 yrs	Sector
Am Sm Cos	6.9	84	14.3	12.9
European	125.8	73	25.8	38.0
Euro Spec	44.2	57	42.7	38.0
Extra Inc	17.5	98	-	-
Fd Inv Trs	6.2	78	8.2	19.0
General	31.4	75	32.0	20.3
Gilt Yld	23.2	81	13.6	3.4
Global Inc	21.7	57	14.0	8.5
High Yield	68.7	73	15.1	14.2
Int Recov	2.8	83	-9.8	9.7
Japan	53.7	84	22.2	4.3
Japan Spec	22.2	84	41.8	4.3
Master	8.7	85	22.3	12.1
North Amer	59.7	72	15.3	12.9
Pacific	88.8	74	5.9	9.3
Small Cos	44.2	78	-17.5	1.1
Sm Cos Div	8.8	89	-	-
UK Eq Grh	10.2	71	5.4	1.1
Investment trusts				
Brunner Inv	57.0	1927	58.0	41.7
Charter	107.8	1907	35.8	41.7
Develop	18.4	1918	49.7	7.3
Jos Hold	12.0	1910	32.1	3.1
Merchants	178.0	1899	63.6	42.1
Small Cos	13.7	1918	-34.9	-2.1
Overseas	107.5	1912	38.3	32.0

Source: Financial Figures are based on offer to bid with income reinvested for three years to Dec 1 1989

agement has changed recently. He attributes the European fund's recent poor performance to the failure to get into the Norwegian market, which has been strong since the shipping industry picked up and oil prices rose. Here, he says, other groups may have done better as a result of more aggressive strategic allocation.

In comparison, according to Gregory, the European Special fund has fared better recently because smaller companies have not tended to be as well covered as their larger European brethren and KB spotted an overlooked opportunity. A more cynical view may be that the fund is only three years old and new funds usually perform better.

Among UK trusts, Gregory explains that the Equity Growth trust, which looks for growth potential in mainly medium-sized UK companies, had a bad patch towards the end of 1989. Unit-holders who opted for the Japanese trusts have fared best. This is not to say Kleinwort should immediately move all its managers to Tokyo, but it shows what can be done with the right managers, the right currency and the right market. If one is lucky enough to have all three in place simultaneously, this is the latest in the series on fund managers.

Recently, some smaller companies, which tend to be highly geared, have found it difficult to maintain dividend payments. However, the Smaller Company Dividend fund should be able to pay an increased dividend "in line with the core rate of inflation"

moment they pay, without having to wait for delivery. But items which are not available for immediate delivery, or ordered from a mail order catalogue, it is better to pay by credit card than by cash or cheque.

Visa and Access/Mastercard account holders are covered by the Consumer Credit Act for purchases of goods and services worth £100 or more. If you end up with a gift voucher issued by a company which then goes into receivership, your benefactor would have to make the claim under the Act. However, if the voucher was bought with cash or cheque, you have no recourse if a company collapses. You will be far back in a queue of unsecured creditors longer than those which used to be seen at January sales.

You could do worse than to open those vouchers and spend them today. Next won't be offended. Once you get in the shop, you will probably spend more than the voucher, giving chief executive David Jones a small reason to smile this Christmas.

Compared with customers of a furniture retailer, most shoppers at Next have a big advantage. They get their goods the

None the less, in the current climate, consumers should take care to limit their potential exposure to any retailer, and especially those in an uncertain financial position.

Clay Harris

Clay Harris

Clay Harris

Clay Harris

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Clay Harris

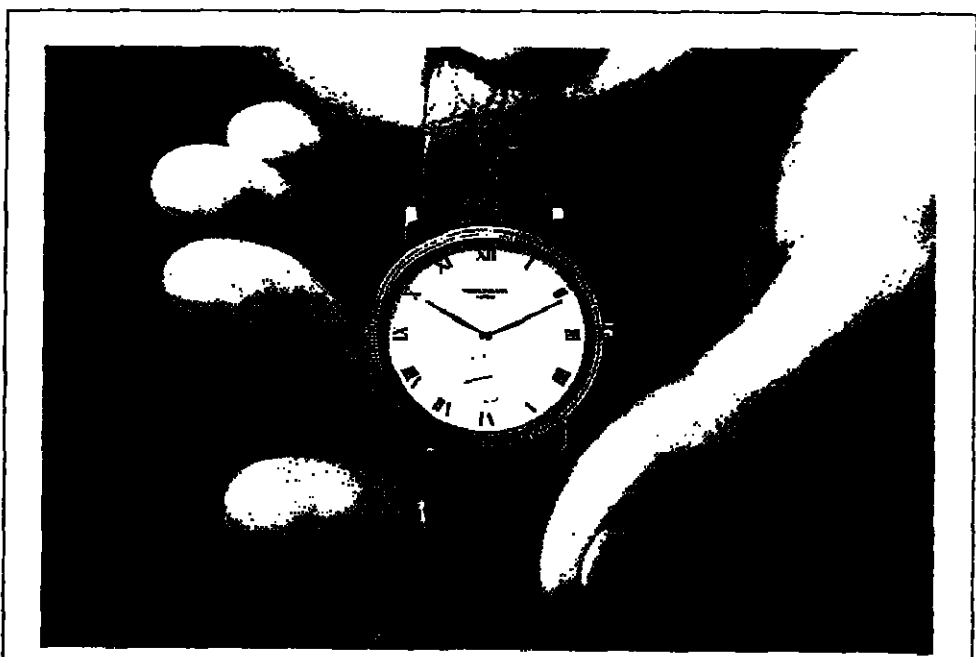
Clay Harris

Clay Harris

## INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawal (days)
CLEARING BANK						
High interest cheque	4.00	4.10	3.30	monthly	1	under 5,000
High interest cheque	8.10	8.40	6.70	monthly	1	5,000-9,999
High interest cheque	8.30	8.60	6.90	monthly	1	10,000-24,999
High interest cheque	8.50	8.80	7.00	monthly	1	25,000-49,999
High interest cheque	9.10	9.50	7.60	monthly	1	50,000+
BUILDING SOCIETY						
Paid up share	8.00	8.09	4.57	half-yearly	1	1,280,000
Instant Xtra	8.85	8.95	7.16	yearly	1	500-1,999
Instant Xtra	9.20	9.20	7.38	yearly	1	2,000-4,999
Instant Xtra	9.45	9.45	7.58	yearly	1	5,000-9,999
Instant Xtra	9.70	9.70	7.78	yearly	1	10,000+
90-day	8.45	9.57	7.78	half-yearly	1	500-4,999
90-day	10.20	10.46	8.37	half-yearly	1	10,000-24,999
90-day	10.70	10.99	8.79	half-yearly	1	25,000-49,999
90-day	11.20	11.51	9.21	half-yearly	1	50,000+
NATIONAL SAVINGS						
Investment account	12.75	9.56	7.85	yearly	2	5-25,000
Income bonds	13.50	10.12	8.10	monthly	2	2,000-25,000
Capital bonds	13.00	9.75	7.80	yearly	2	100 min.
36th issue	9.50	8.50	8.50	not applies	3	25-1,000
Yearly plan	9.50	8.50	8.50	not applies	3	20-200/month
General extension	5.01	5.01	5.01	not applies	3	-
MONEY MARKET ACCOUNT						
Schroder Wagg	10.24	10.77	8.82	monthly	1	2,500
Provincial Bank	10.24	10.73	8.59	monthly	1	1,000
UK GOVERNMENT STOCKS						
Sp Treasury 1991	11.64	6.59	6.36	half-yearly	4	-
Sp Treasury 1992	11.65	6.59	6.35	half-yearly	4	-
10.25pc Exchange 1995	11.09	6.48	6.19	half-yearly	4	-
Sp Treasury 1994	11.25	6.03	7.70	half-yearly	4	-
Sp Treasury 1992	9.35	6.55	6.28	half-yearly	4	-
Index-linked Sp Treasury 1992	12.71	6.37	9.08	half-yearly	4	-

Source: Bank of England, 30-day, immediate access for balances over £5,000. Special facility for extra £10,000. Source: Philips and Drew. Assumes 8.0 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.



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## MINDING YOUR OWN BUSINESS

Screen Test  
Desktop  
fun and  
games

BUSINESS computing is, of course, a deeply serious activity. But the festive season seems a good time to point out that not only is your sophisticated desktop more fun than a game, but, if you have followed my advice and bought a 386 PC with colour screen (or an Amiga 2000 or Macintosh LC), it can put on a mind-boggling show.

Now do you need to use your children as an excuse for a temporary descent into frivolity? A study commissioned by the Commodore group indicates that computer gaming can do wonders in relieving executive stress. From my own unscientific efforts in testing this thesis on your behalf, I can report that there are definite therapeutic properties in some games while others, mainly flight and battle simulations and strategy packages, can cause more stress than a visit from the VATman.

My preference has always been for adventure games, where the solutions to dilemmas, from saving the world to buying a cheese sandwich, are complex, messy and, remarkably, humorous. Even in these types of astonishing computer graphics, these effects are often best obtained from "text-only" adventures where the player types in suggested solutions to each problem and then has to cope with the results. There is nothing to beat the well-established series from Infocom, notably *The Hitchhiker's Guide to the Universe*, which captures the lunacy of the book, the more traditional *Zork* trilogy and the distinctly naughty *Leviathan*. *Goldenshoe* is a Phobos where playing a range from "Tame" through "Suggestive" to "Lewd". All available at £9.99 per game from Virgin Mastertronic.

Then there are graphical adventures, where the player has pictures, sometimes animated, to help and/or confuse. A recent offering in this area is *Mirador's Isle* from the Dragon's Lair (£24.99), which is to save Arizona, from marauding giant ants. The gameplay is absorbing and the animation of the killer ants downright alarming.

In a higher price range Virgin have also just brought out *Wonderland* (£34.99) based closely on the Lewis Carroll classic and boasting both a vast text adventure and some beautifully drawn graphics. And, if you really want to see state-of-the-art desktop computer graphics, you could always try out the astonishing *Dragon's Lair II* from Cinemascope, a fully animated adventure that, like its ground-breaking predecessor, is almost more fun to watch than to play.

Some games fall across categories, such as Microprose's strategy/adventure package *Covert Action*, a huge game with a price tag, £39.99, to match. The player assumes the identity of a secret agent (or, refreshingly, a Marine) and has to deal with a series of missions ranging from local disturbances to global crises. This is a game which mixes shoot 'em up type skills with serious thinking as well as pretty pictures. Recommended, with the warning that it could be seriously addictive.

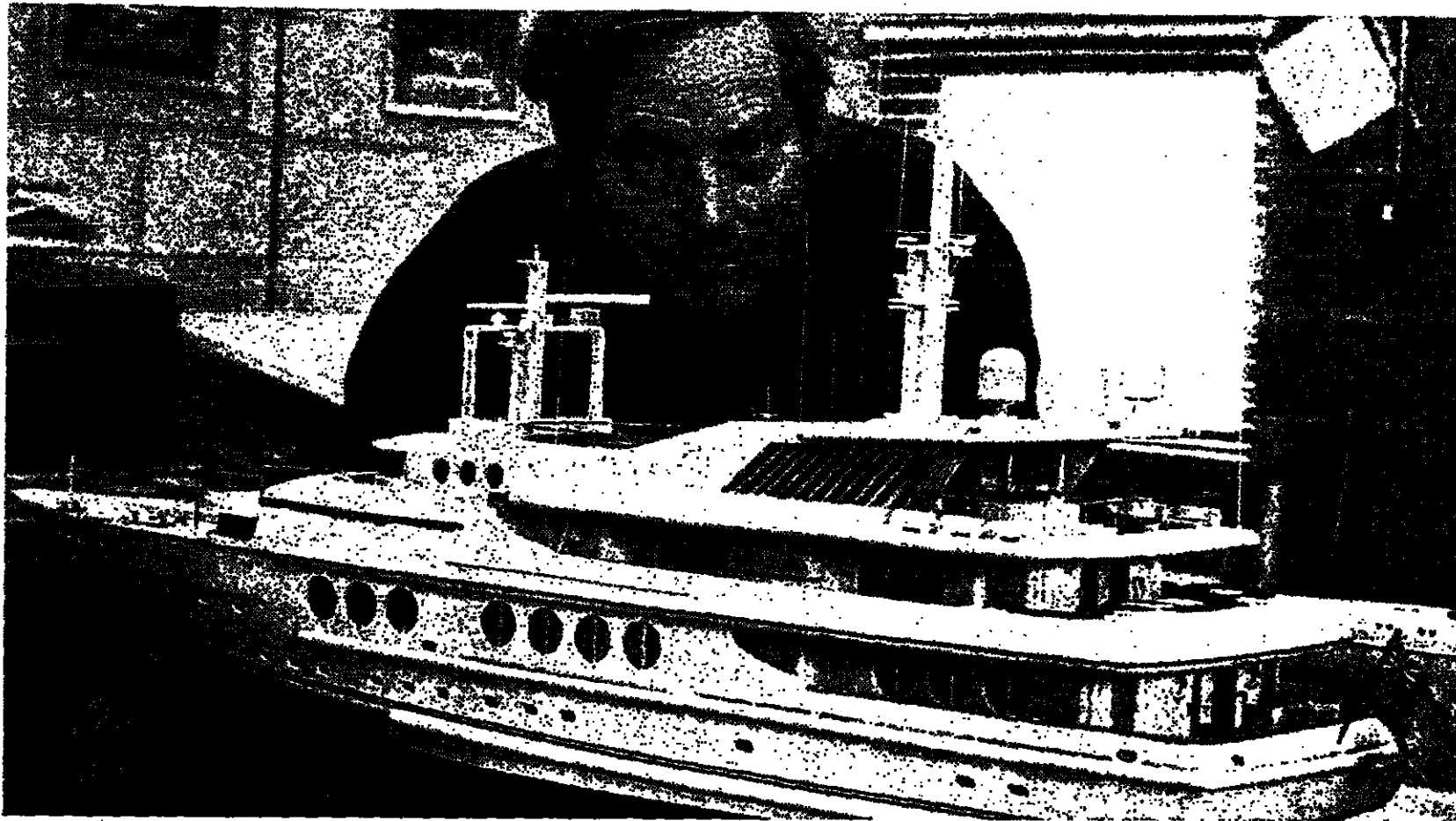
When it comes to simulations and battle games, the player is almost always back in the days of the Cold War, with little doubt about who is the Other Side. The best simulations need co-ordination and lightning reflexes. Where flight simulators are concerned, the acknowledged leader is the pack of Microsoft's latest effort, *Flight Simulator 4.0* (£44.95), is realistic enough to have you groping for a parachute if things get out of control.

Back to earth, *Team Yankee* (Empire, £34.95) puts you in the boots of a Soviet tank unit. And Microprose (clearly a martially-minded business) lets you control combat in arctic territory in *Midwinter* (£34.95). It has effective graphics and needs considerable strategic skills.

If you feel the need to exercise those talents on a wider scale, look no further than Ocean Software's *Sea Breeze*, where you can control the evolution of an entire planet from microbes up to mega-intelligent life forms and eventual destruction. No would-be megalomaniac should be without it. If your ambitions are rather less global, try building up a 19th-century railway empire with Microprose's *Railroad Tycoon*.

For those who just fancy a charming, totally pointless and extremely silly arcade game, I can heartily recommend the ridiculous *Lemmings* from Psygnosis. If nothing else it should help get rid of the tension caused by all those crashes, direct hits, lost battles and bankruptcies.

Barbara Conway



Keeping aloft: David Fawcett with one of his model boats which take between 300 and 700 man hours to build

## Model venture with the wind in its sails

DAVID FAWCETT used to fly fighters in the Royal Air Force. These days, he's a model businessman.

Fawcett and his staff of two are based on the outskirts of Nefyn, a remote North Wales coastal village 270 miles from London. They make model boats. But these boats are not for the average hobbyist.

Fawcett's business is with wealthy individuals - and, increasingly, corporations - who own and operate the sort of luxury yachts that leave most people open-mouthed. Yet, perhaps surprisingly, his annual turnover is quite low - around £200,000. Why? Mainly because of the time it takes to make the models. A Canadian-born Fawcett started out in 1982, after leaving the textile industry to which he moved after his early years in the RAF. It gave him a solid business background. "In textiles, you learn to become a survivor. You have to work for success."

Making models had been a hobby for many years. He decided to turn them into a career "because my children had grown up and I realised that if I didn't do something then, I was just going to be in textiles for the rest of my life."

He chose Nefyn, near the town of Pwllheli on the Llŷn peninsula, because of the area's maritime traditions. "This part of the world has a wonderful marine estuary and they used to make the most incredible boats and sail all over the world. I have a great admiration for the people. They are very hard-working."

In his eight years, Fawcett and his tiny staff have produced just over 100 models, ranging from sailing boats to such massive motor yachts as the Jon Bannenberg-designed *Sieffers*, built in Lowestoft for an American tycoon. It is, thinks Fawcett, "the biggest built in England since 1930." It proved his biggest project so far, too. "We had more than 30 drawings to work from."

Models can take between 300 and 700 man-hours to make. Fawcett uses mainly wood but metal, plastic and fibreglass all have a role. "It's not just about making a model," he says. "It's all about textures. You have got to be able to create something that looks real. It mustn't look like a model."

Fawcett's reputation has developed largely through word of mouth. "I haven't got the resources to advertise."

My advertising comes in public relations, photographs in the top yachting magazines and the designers."

Multi-millionaire businessman Peter de Savary, who contested the 1983 America's Cup for Britain, gave Fawcett an order for two models of the 12-metre boat.

"But he never told me when he wanted them. One day, I got a phone call from his office saying he wanted the first one in a fortnight because he was putting it in front of, I think, the Duke of Edinburgh."

"I thought, how can I make this in a fortnight? I was told to ring back and confirm I could do it. And I thought, if I didn't do it, I wouldn't succeed. So I got it to him in 13 days. He was very pleased."

Fawcett will not reveal how much he charges for his models. He admits that his turnover "probably should be higher" but adds: "There is a limit above which people just can't see themselves paying for a model. Over the next two years our turnover will increase substantially, but the very specialised staff we have just maintained a standard of living."

That increase in turnover is expected to come largely from what are called block models, basically, models produced from designers' drawings that can be placed before clients to show them what they are getting for their money. It is a growing part of Fawcett's business - and they take less time to make than the specialised commissions.

Fawcett who once bought the shell of a small yacht, fitted it out and reed it back into the business. The latter is essential, because, in spite of the healthy business, Longstaff is still some £90,000 in debt to his bank after spending £180,000 on a computer controlled laser cutter three years ago.

"We have built ourselves a reputation second to none in the world and we just go along like that, really. I take it on a day to day and month to month basis."

David Fawcett Ltd, 6 Lon Dewi Sant, Nefyn, Gwynedd, Wales. Tel. 0753-721-313.

Sinclair Robieson

Clive Fewins meets a toy maker  
planning for next ChristmasPuzzles for the  
jigsaw maker

CHRISTMAS is coming far too fast for toy maker Robert Longstaff. But in his case it is Christmas 1991 that is the worry.

The 1990 orders were despatched long ago from the large rambling workshop at the bottom of his garden in the Oxfordshire village of Longworth. His sights are now on the 1991 toy fairs and his team of seven is busily completing prototypes of new models of the jigsaws that won him a Design Council award soon after he started up 12 years ago.

Most of the Longstaff range of traditional wooden toys - the successful cars, go through many marbles and he plans to unveil several innovative puzzles and three new dolls houses at the Earls Court toy fair next month.

Longstaff, 38, is a design engineer by inclination. He puts his success - toys that "sell themselves", steady growth, and a 67.8 per cent profitability rate on this year's expected £250,000 turnover - down to his simple, design-based approach, coupled with impeccable quality. His laser-based manufacturing technique is acknowledged in the industry as two years ahead of any other British manufacturer.

He has no delusions of grandeur, entertains executives from the leading chain stores that buy his goods in his standard jeans and old sweater, works frighteningly long hours, has a small, loyal staff, and plunges most of the profits back into the business.

The latter is essential, because, in spite of the healthy business, Longstaff is still some £90,000 in debt to his bank after spending £180,000 on a computer controlled laser cutter three years ago.

"We have built ourselves a reputation second to none in the world and we just go along like that, really. I take it on a day to day and month to month basis."

David Fawcett Ltd, 6 Lon Dewi Sant, Nefyn, Gwynedd, Wales. Tel. 0753-721-313.

Longstaff also sees important advances in eliminating waste in his manufacturing process. In many ways he would like to concentrate on this development work, and he and his wife and co-director Yvonne have an eye to selling the jigsaw side, with its proven earning capacity, to follow a growth path.

"Ideally I'd like to raise £1m-£2m in order to pursue a number of other interesting applications for the laser in this sort of field," he said.

Quite how and when - or if - to make the move is the current puzzle facing the man who has spent a sizeable part of his life creating them.

A strategy for  
the recession

THE RECESSION drives companies out of business for three reasons: sales revenues decline below breakeven, cost structures are inflexible and there is inadequate finance.

The nature and timing of activities will improve survival chances. But this is not just a time for cost cutting and raising additional finance; the main thrust should be boosting sales revenues to and beyond the breakeven, without incurring significant extra costs or the need for more capital.

This does not mean going out on a limb, accompanying a general tightening up should be an audit of the business to identify sources of profits and what you really do for your customers in relation to your competitors. In a declining market, it is vital to identify and focus on those niches where you have a competitive advantage, to eliminate unprofitable activities you do best. If you can do this, you will emerge relatively unscathed.

Small companies are reactive - they wait for their customers to come to them. Consequently, they never know customers choose them above their competitors.

A distinguishing feature of some of Britain's best companies is the way they understand what motivates their customers and what are the points of appeal about products and services on offer.

The Body Shop is a good example of how one person has gone out of her way to meet the needs of a growing market. Amstrad also shows a strong customer focus and makes a point of leading with new products at keen prices, which is what the market wants.

The sequence of actions is important: first, understand fully the behaviour of your customers (and prospects), down to the most idiosyncratic detail; second, know what special abilities your company brings to the marketplace; third, devise a plan to match customer needs and what you have to offer; and, finally, decide how to organise your business to get products to your customers in the most profitable way.

The marketplace divides into two categories: people who buy from you already, and those who do not. In order to strengthen the alignment between what your existing clients want and what you have to offer, answer the key strategic question: "Why do your customers buy from you instead of from your competitors?"

At first glance, the answers seem self-evident. But you have to distinguish between what you believe to be the basis of your competitiveness and what is the case. The two are usually quite different.

Business owners often say that their customers buy from them because they offer superior service; but press their customers and it is likely that the purchase decision hinges either on a personal liking for the owner or low price or both. Usually the answer is a combination of quality, service, availability, emotion and price. It is vital to establish the right answer because you need to focus on your competitive strengths. These are likely to change in a recession. If price is the reason for customer support, there would be little prospect of introducing a strategy based on quality or delivery.

An evaluation and analysis of your existing business base may not seem the obvious place to start when deciding what to do in harsher economic times. But it is. There is a tendency to "knee-jerk" responses when times are tough, typically in order to generate cash by venturing outside the normal range of activities, in the belief that bolder risks must be taken to counter greater uncertainty. Nothing could be further from the truth. Your most successful actions are likely to be targeted at existing customers, since profits come from doing things well for customers whose needs you know well.

The first step is to call, visit or mailshot your customers to find out what else you can do for them. This supposes you know precisely who they are. Do you? They might want something from your present range of products or services, or they might be looking for new ideas. This supposes that you know what they want. Do you? Inevitably this improves the quality of information you have about your markets. That knowledge will enable you to survive the recession when your competitors go under.

Peter Wilson

Peter Wilson is a Director of the Enterprise Partnership 15 Park House, 140, Battersea Park Rd London SW11 4NB. Tel: 071-827-4891

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The prospectus has been sent to those who have already registered. If you have not registered, APPLY NOW for brochures and prospectus to: Grant Thornton, 46 West Bar, Banbury, Oxon OX1 6NR (0225) 264343

For further details contact: Andrew Cherry, Charwell Valley Developments Ltd, Twyford, Banbury, Oxon OX17 3AA. (0225) 811441. Fax: (0225) 811228

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## PROPERTY

**S**ALISBURY Cathedral wears its scaffolding like an elaborate steel bandage. A group of houses forms a loose and extensive semi-circle around it within the old medieval walls that originally separated church business from the secular life of the city beyond. Today, these properties have become some of the most sought after homes in the area.

Tradition has it that back in the 13th century the site for the new cathedral of Salisbury was determined by the fall of an arrow which was shot (with some show of strength) by an archer from the ramparts of Old Sarum a couple of miles away.

The clergy had wanted a more convenient position for the seat of the bishop; the settlement at Old Sarum had no direct water supply and the new site on the banks of the River Avon provided an altogether more workable setting for what was to be a thriving cathedral city.

Building work started in about 1220 and the cathedral itself was completed within 50 years (except for two later additions, the tower and spire). It is a rare and perfect example of Early English cathedral architecture.

Homes for the serving clergy were constructed alongside the cathedral and, in 1331, King Edward III granted the Bishop and the Dean and Chapter of Salisbury permission to use the stone from the Norman Cathedral at Old Sarum for the construction of the walls of the Close of the new cathedral. It is an ecclesiastical precinct extending over 83 acres. It largely remains so some seven centuries later.

Salisbury Cathedral Close is perhaps the finest cathedral setting in England, an extensive area set apart and protected from the outside world by medieval walls on three sides and on the fourth side by the River Avon - which has occasionally proved something of a nuisance with problems of damp and of flooding.

The cathedral itself has been proudly and finely preserved while the surrounding homes for the clergy have been subject to reconstruction, alterations and additions leaving a rich pattern of domestic architectural styles, Tudor, Jacobean, Georgian and even the odd 20th century addition, within the original walls.

The ecclesiastical quiet is punctuated by the sound of distant cars, by the piping voices of school children and, in the summer, by the click and



Visitors enjoying a walk through the grounds of Salisbury Cathedral

## All this and Constable too

Harriet O'Brien visits a sought-after development in Salisbury

whirl from the cameras of streams of tourists. Despite the fact that Salisbury Cathedral Close has four schools within its precincts and a constant influx of visitors coming to admire the medieval past, it provides a comfortable, secluded environment particularly in demand among the older, retired generation.

It has echoes of artistic and literary endeavour; associations with Constable, with Thomas Hardy (for whom Salisbury became Melchester) and with Trollope's Barchester come readily to mind. The Trollopean undertones become particularly strong over church business matters.

On the east side of the cathedral is a modest attractive building of mottled brick. It houses perhaps the most significant aspect of life in the Close. Today, No 6, the Close, is the Chapter office from which the

land and the property of the cathedral are controlled. For the layman, church business appears confusing.

The Church Commissioners directly own about 37 properties in the Close. These relate to the work of the Bishop and include the Bishop's Palace. But the Dean and Chapter, who are ultimately answerable to the Church Commissioners, separately own and administer the vast majority of the buildings that lie within the old medieval walls. Just a few houses have, over the course of time, become freehold and are owner occupied.

The job of controlling the bulk of Close property falls to the Dean's deputy Chapter clerk, Andrew Dawson. He says: "Many of the properties are occupied by the staff of the Dean and Chapter, vergers, canons and the Dean and Chapter's own constabulary.

There are five constables who are broadly responsible for discipline within the Close although most of their work centres around directing traffic, particularly at the height of the tourist season."

The constables also supervise the gates of the Close. These are locked between 11pm and 2am, adding to the sense of security. Residents have their own keys and come and go as they choose. In addition to the constables other regular members of the police force are often in evidence since Edward Heath, the former Prime Minister, is among the more illustrious residents of the Close.

"The buildings not used for church purposes are leased on the open market," Dawson continues. "Turnover is fairly slow and in many cases property only becomes available when a resident dies or when the lease expires, in which case a new

lease might be negotiated if the property is not needed for church matters."

The exception, however, is Sarum St Michael, a former teachers' training college renovated by Wimpey and developed into a group of private flats in 1980. Leases were negotiated for 125 years, about twice as long as those of the other Dean and Chapter properties. The turnover here is usually comparatively quick. In the past about seven or eight flats have come on the market every year, although the recent downturn in the general property market has had its effect.

Medieval walls have not been enough to insulate Salisbury Cathedral Close from market forces and the property business has become fairly static. You can, however, currently buy the leasehold for a two bedroom ground floor flat

in the Wimpey scheme with 115 years remaining for £145,000 (through Myddelton & Major in Salisbury). While it is great deal more than you might pay for other properties in Salisbury there are considerable attractions. Sarum St Michael has extensive private grounds, fishing rights on the River Avon and private parking for residents.

"By and large most properties in the Close are sold for twice as much as others in Salisbury," says Michael Powis, senior partner of the local estate agents Middleton Murray (0722 337 575).

"While prices have recently come down this just reflects the turn of the market; most buyers are generally caught with the problem of having to sell other properties elsewhere."

Buying into an older part of the Close is inevitably more costly. The three bedroom Gate House of the North Canonry (mainly of Tudor origin) is on offer for £295,000 or £375,000 with the addition of the master bedroom suite that forms part of the rest of the North Canonry.

Myddelton & Major and Savills (0722 3304 232) in Salisbury have been marketing the house, or house plus master bedroom, on a 54-year under-lease, for quite some time.

"Older properties in the Close have a very specialised nature," says Christopher Lacey, residential director at Savills' Salisbury office. "Good houses are normally keenly sought after although not many come up within a year and not many are totally able to escape the vicissitudes of the current market."

And the main benefits for the high premium of living in the Close? "Security," says Lacey, "a lovely environment, a wonderful architectural mix and perhaps above all there's a feeling of space, there's room to stand back and look at the cathedral."

Constable's view of Salisbury Cathedral reaching up over the surrounding water meadows is possibly the most famous of these views. But it has often a source of great frustration to visiting tourists. Struggle as they might to find the exact spot from which he drew the sketches for one of his most valued paintings, it invariably eludes them. In fact today it lies within the grounds of the Cathedral School in Salisbury Cathedral Close. The precise position is thought to be in one corner of the swimming pool.

## Cultural contrasts

John Brennan on house prices in London's Spitalfields

**S**PITALFIELDS, hotbed of nonconformity and therefore, the most famous hamlet of all the Tower Division" in 1884, has remained an area of contradictions. A sprawl of tenements stretching east from the City, Spitalfields housed early Baptists and, after the Edict of Nantes in 1685, the exiled French Huguenots. They gave the area its first flush of wealth by making it the centre for their silk-weaving and textile-dyeing skills.

A couple of centuries of progressive overcrowding and decay, the mid-19th century urban clearance around the vegetable market and successive influxes of mid-European Jewish and later of Bangladeshi families have all left their marks on the area.

It is 23 years since the Spitalfields Trust was formed to protect and to encourage the renovation of the classic Georgian town houses in the area built by the wealthier Huguenot merchants.

Evidence of its efforts lie beyond the rainbow colours of the Bangladeshi shop fronts and close by the magnificent simplicity of Nicholas Hawksmoor's Christ Church. The part-restored interior of that great building, and the harsh reality of the tea caravan by its steps, provides the kind of simplistic instant picture of contrast beloved of TV documentaries.

Local property values give a sharper edge to the gradient of values. You can rent a corner of a room in a multi-occupied house from £25 a week, or spend £500,000 on a renovated town house. Jonathan Hewlett of Hamptons (071-493-8222) confirms that the sharp decline in the sale of houses has slowed the pace of home renovation in the area.

"There are a number of properties that have been bought, but which have been standing derelict for years now. That emphasises the rarity value of those properties that have been either completely restored by Georgian enthusiasts to a standard that, almost certainly, would have amazed and bemused the original own-

ers, or those which have been modernised while retaining the main elements of their architectural period," he says.

Fourier Street, E1, lies at the centre of the small enclave of restored properties. As a guide to what a full-scale, meticulously restored and modernised merchant's house in that street might be available for, just such a house has been on the market for some time with a suggested price of £550,000.

What is asked may not, of course, be what can be achieved. "A number of the houses are either on the market, or available if someone were to show an interest," says Hewlett. He explains that, over the years, restored Spitalfields house prices have tended to run in parallel with those of the few, generally smaller, Georgian town houses that remain in Covent Garden.

"The kind of people who look for these properties are a real mix, there are City people who want to be close to work, and there are the more artistic people, there are opera singers and artists, antique dealers and interior designers..."

It is the City pied-à-terre seekers who form the most likely target market for the only set of flats that the complete instant picture of contrast beloved of TV documentaries.

Numbers 17 and 19 Fourier Street were converted into flats in 1989, now Hamptons have two of the flats, a two-bedroom one and one of its smaller neighbours, on offer for £155,000 and £135,000 respectively. Both include a share in the freehold of the combined houses.

As for complete houses, one of the more unusual properties to become available is Worrall House, which stands hidden behind Fourier Street in Princelet Street. Once owned by Samuel Worrall, a master carpenter who worked on Hawksmoor's churches, the double-fronted, three-bedroom, three-reception room house has been attracting a steady stream of the curious and the possibly interested at £295,000.

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## Practical style for the home

Lucia van der Post on this year's bumper crop of d-i-y books

**N**APOLÉON got it wrong. Trust a Frenchman. The British, in their heart of hearts, are no nation of shopkeepers. Grubby urban commerce may please the bank manager but it offers little comfort to the soul.

What they long for above all is to escape the commercial rat-race into a never-never rural idyll. Just look at their houses. Whether a penthouse in Docklands, a small flat in Camden, a suburban villa or a grand country house, the world they aspire to is much the same - beeswax polish, fresh flowers, faded chintz, hand-down furniture, old portraits.

For those who were to the manner born, the look is easily acquired, imbued with the faded Persian rugs, the family portraits, the second-hand furniture. The rest of us have to learn how and, just as with any other branch of learning, there is a whole set of do-it-yourself manuals which help us do just that. This year a bumper crop has hit the shelves so that we can all give them to each other for Christmas. Not that it is any longer a simple matter.

There is, you understand, country-house style and country-house style. The sub-styles are subtle and proliferating. For instance, *Simple Country Style* by Mary Trewby (published by Conran Octopus, £16.99) belongs to the ungrand, purist school. The Shaker-style, so to speak, rather than the Colfax & Fowler school of country living. You can almost feel the chilly country draughts blowing through the pages. Here you will find simple wrought-iron candelabra rather than ornate chandeliers, sturdy oak tables lit by candlelight, gingham at the window, country flowers in china jugs, open brick walls and roosts of copper pans.

Similar in mood is *Country Style* by Judith and Martin Miller of Antiques Guide fame (Mitchell Beazley, £25). The difference here is that the authors have presented us with images of country style as far apart as English country cottages and a converted Provencal silk mill, a large Spanish farmhouse and a Southern plantation house, an Italian stone villa and a Scandinavian millhouse.

For those who love authentic, simple country-style this book is more than just a source of visual inspiration, it is also a source of useful addresses, the directory at the back listing suppliers of furniture, flooring, fabrics and all the essential ingredients for the "look".

For the Christmas season there are two practical and inspiring books on the decorative delights that provide the proper setting for the celebrations.

Penny Black's *The Scented House* (Dorling Kindersley, £12.99) is not only beautiful to look at but it could be said to be the Jane Grigson of the world of sweet-smelling things. Here are detailed instructions on how to make your own pot-pourri, on how to make citrus pomanders, scented sachets, lavender sachets, floral waters and colognes, as well as a host of wonderful things to do with dried flowers. Those with gardens and time on their hands should love it.

*Country Living Country Christmas* (Ebury Press, £15.99) is the handbook for the old-fashioned, nostalgic Christmas. If you have children or grandchildren for



A certain country tone from Simple Country Style by Mary Trewby

whom you wish to recreate the kind of Christmas most of us have never had but sometimes dream about, this is the book to help. From December 1 to Twelfth Night the time-honoured traditions are there to be obeyed. There are decorations to be put up, presents to be made, cakes to be baked, mince pies to be chopped. Start at the beginning and carry on to the end. You will need a serious holiday when you're finished (just setting about the mantelpiece trimming could bring on an attack of the vapours) but it's worth it for the children isn't it? It's a little late, of course, to do the lot this year but Christmas has this curious habit of cropping up again and again...

In *The Romantic Style* by Linda Chase & Linda Cerwinski (Thames & Hudson, £24) is by no means exclusively rural but nor is there a hint of the sharp, the crisp or the metropolitan about it. Romantic style, after all, is defined by a lavish sense of abundance. Colours are soft, fabrics abundant, gilt and ormolu prevalent.

The book is filled with a sense of faded *finesse* - a grandeur of indeterminate geography. But it is beautiful all right and just the thing for all those with ideas above their station. Vases are filled with roses just a shade past perfect freshness, curtains drape slightly drunkenly from

gilded rosettes, chests have curves and gilded handles and are more properly referred to as bombes, busts are grand and classical and cherubs are everywhere.

For those who love London and glimpses into how the other half live, *Living in London* (Thames & Hudson, £25) with a text by Lesley Aitken and photographs by the inimitable Michael Boys is hard to beat. Here is a look into a London few of us know exists, into homes we have merely glimpsed.

The homes seem mostly grand and beautiful (why else would they be photographed?), the sort of houses that are way, way beyond normal aspirations.

But I have a cautionary tale to tell. While browsing through the book, two of the houses began to take on a familiar *mien*. I discovered they are houses I know and love. They belong to friends and although I have always greatly admired their individuality and the skill and flair with which they have been done, it had never occurred to me that they were in some way beyond the ordinary reach. In other words, you, too, can do it. Not in exactly the same way, of course, but in your own way. Creating a home that gives pleasure and interest to the eye as well as comfort to the body requires some money... yes. A fortune... no.

هنا من القصر







## FOOD &amp; WINE

## Last-minute wine buys in the high street

Left your shopping until this weekend? Jancis Robinson finds out what's on offer from local chainstores and supermarkets

ALTHOUGH these chains need your custom more and more, the most interesting bottles are often available only at bigger branches.

## ODDBINS

No apologies for the number of wines recommended from Britain's best chain of wine shops. They are number one, and yet (or is it because?) they also try harder.

## WHITES

Pinot Blanc 1989, Turckheim Co-op, £3.79. Please-all, fruity-but-dry versatile smoky white that seems subject to some batch variation.

Terre di Giunestra, £4.49 (also at Blayneys and Morrisons in the north of England). Delicate Sicilian white already recommended on these pages.

Nuthourne Manor, Bacchus pr Schönburger 1989, £4.99. Clever Oddbins to jump on to this particular bandwagon carrying fully ripe domestic fruit from a producer who knows how to make palate-sharpening wine and how to design labels. The Schönburger is slightly fruitier.

Caliterra Reserve Chardonnay 1989, £5.59. This wine was not disgraced in a blind tasting of Chardonnays selling at almost twice the price. Slightly charred, mineral notes on a much more convincingly con-

centrated Chardonnay palate than most South American Chardonnays.

Chablis £5.99 and up. Exceptional range at fair prices.

Geisenheimer Klausurweg Riesling Kabinett 1989, £4.99. Made by prize-winning students at the famous Geisenheim wine research institute in the heart of the classy Rheingau region and a fitting tribute to one of German wine's best-loved characters, Geisenheim's Professor Helmut Becker who died this year. Full to bursting with ripe fruit, extra pure with lots of extract. A million miles from sugar water and would be great with spicy food.

Any Lingenfelder wine, even the red Dornfelder. They are all well made and made to be drunk with food.

Vouvray Moelleux, Grande Année 1989, Fonquet £6.99. Not as divine as the Maligny, now sold out, but still a great price for top quality sweet white Loire.

St Romain 1988, Jaffelin £7.49. A gem of a white burgundy from a producer which enjoyed great success with its 1989s. New World cleanliness with Old World interest and potential. No hurry to drink this one.

## REDS

Any Penfolds red, up to the



great Grange which is certainly worth its price tag of well over £20 a bottle. All are dense, warm and spicy and they tend to have more interest than the host of other, often too minty, Australian reds.

Côtes-du-Rhône 1988, Guigal £4.69. Rustic, concentrated and herby. Can be drunk now but it should continue to improve

for three years. An unusual Côtes-du-Rhône in that it is made in the Syrah-dominated north Rhône rather than the fleshier south. Another coup for Oddbins.

Dolcetto d'Alba 1988, Giacomo Conterno £5.99. A red wine for everyone. No harsh tannins, just appetising acidity and lots of juicy fruit. Would

be great with fatty dishes - goose, duck?

Qupé Syrah 1989, £9.99. Demonstrates that the Californians have not only worked out the recipe for red burgundy, but the one for red Rhône too.

Château de Flenzal 1988, £11.99. Wildly underpriced, classed growth Graves from a

vintage built to last. Buy to keep or drink.

## SAINSBURY'S

The man who coaxed the British masses to drink wine now moves on in the Sainsbury hierarchy, from wine to (whole, unfermented) fruit, but doesn't Rothbury's Len Evans tire of drinking geology rather than viticulture?

Coteaux du Layon, Château du Breuil 1989, £5.95. Like so many 1989 sweet Loire whites, this one is unusually clean, ripe and ready to gulp - ideally after a meal instead of a pudding.

Chablis Premier Cru 1988, Dauvissat £9.95. Very exciting Chablis from a great vintage and great producer. Discernibly riper fruit than usual but a backbone of bracing acidity and real nerve. Not the sort of wine you expect to find in a supermarket, and indeed it is available only in Sainsbury's more upmarket branches.

Champagne Gonet Grand Cru Blanc de Blancs, £13.95. Champagne Bonnaire Premier Cru Blanc de Blancs £13.95. Both these wines are very respectable for the price showing some finesse and delicacy which is what you want if you are serving it as an aperitif.

Raimat Abadía 1987, £4.45. Bordeaux grapes grown on one of Spain's most interesting properties. This warm, ready red has obviously but not too obviously been matured in oak barrels, American in this case but leaving a much subtler flavour than the usual sickly whack of vanilla. More sophisticated than Raimat Tempranillo available elsewhere.

Château La Vieille-Cure 1986, £5.95. French Country Pomerol. Plump, attractive, by no means standoffish and would go very well with turkey.

Château Maucailon 1986, £9.95. Silky, deftly oaked claret from a classic vintage.

## THRESHER/WINE RACK

The most dynamic by far of the brewery-owned off-licence chains.

Pinot Blanc 1989, Turckheim Co-op £2.79 or cheaper, £4.75 a litre (see Oddbins). Found-off vouchers available.

Vernaccia San Quirico 1989 £4.99 (see Sainsbury's).

Château Bonnet 1989, Lorton £5.79 (Thresher only). Oak aged dry white Bordeaux that shows how it should be done instead of leaving the palate stumped by oak and oil. Lovely creamy stuff with better fruit than many a white Bordeaux at twice the price.

Alfonso Dry Old Oloroso, Gonzalez Byass, £5.99. Great price for proper, characterful dry, nutty sherry.

Gewurztraminer Herrenweg 1988, Zind Humbrecht, £7.99. All the spice and concentration without the oiliness and vulgarity of so many Gewurzes. From one of the most exciting producers in Alsace.

Silven Country Red, Merlot/Pinot Noir, £2.49. Light, slightly jammy, but perfectly acceptable substitute for Beaujolais.

Merlot, Domaine des Cautnettes Hautes 1988, £3.29. Much more bite and guts than most southern French reds.

Corbières 1988, Château de Lastours £4.49. Superior, dense, burly mountain red from Corbières' most lauded producer.

Côtes-du-Rhône 1986, £4.79. More ready than Oddbins' 1988 but without as much stuffing and potential.

Beauve Bouchardottes 1986, Louis Jadot £13.65. Silky light, soft, fruitily red burgundy that could already be enjoyed with white meat - turkey?

WAITROSE Particularly thoughtful choice of half-bottles, including a lightish Chablis 1989 at £3.99 and pretty St Amour 1989 at £3.79.

WHITES Vernacino di Sardegna 1989 (£5.25 a magnum). Light, crackling apple house white.

Jacquere 1989, Vin de Savoie £3.95. Pierre Boniface's smoky alpine fruit. Refreshing and, like good Swiss whites, decep-

tively substantial. An interesting aperitif.

Ockfener Bockstein Riesling Halbtrocken 1989, R Müller, £3.95. Interesting limey fruit and exciting off-dry acidity. A wine for the table, with light savoury dishes.

Bourgogne Blanc 1988, Buxy £4.95. Useful country white burgundy with a touch of oak that managed to suggest Burgundian woodsmoke to me. Good value.

REDS Don Hugo Tinto, £2.59. Perfect for those who hanker after the sweet, oaky flavours of Rioja but are damned if they'll pay £5 a bottle for them.

MAJESTIC There's bin trouble at t'wine warehouse chain recently but the good thing is that they sure are desperate for our custom, with special, if not always bargain, fine wine purchases (nature Leroy burgundies at under £10) and 15 per cent off all but their cheapest champagne if bought by the dozen (Pol Roger reduced to £14.45, for example).

WHITES Scharzhofberger Riesling Kabinett 1989, £4.99 von Kesselstatt. Von Kesselstatt is making some of the Mosel's most intense wines at the moment and this lively, apricot-scented, miraculously light Saar is just the sort of wine that can prove a welcome alternative to fizz after a festive white.

Moscato d'Asti 1989, Bava £5.49. The dark, heavy Bordeaux bottle with its drawing of a tube looks very serious indeed - quite unlike the flinty, delicate grapey taste of this low alcohol (5.5 per cent), slightly fizzy delicacy.

REDS Silven £2.49 (see Thresher). Vranac £2.99 (see Safeway). Marsannay Vieilles Vignes 1988, Régis Bouvier £5.99. Ever since I tasted this I've been telling friends to buy it. Red burgundy from older vines grown in a village only just becoming known here for reds. Sturdy and for drinking over the next year or two, but better-made than many red burgundies at three times the price.

TESCO Tesco's best wine bargain of the year by far is their new book, *The Essential Guide to Wine* by Robert Joseph. Conventional publishers must weep to see what a lavish and informative book can be offered (at Tesco's superstores only) for £5.99 if you cut out the middleman. The store's wines are less exceptional.

The quality of their German wine (about which I shall be writing in the New Year) is better than most supermarkets' and they pride themselves on their range of up to 40 different champagnes of which Cattier 1982 is deliciously creamy but it is £22.99.

WHITES Don Dariae Bianco, £2.39. At a price that suggests oak essence rather than barrels, this Spanish table wine is the white stablemate of Waitrose's Don Hugo, all vanilla on the nose and warm, full-bodied palate. Great value of its distinctive type.

Les Terres Fines 1989 Dry Muscat £3.59 and Chardonnay £3.49. Not often Chardonnay is beaten into second place in any price ranking but the blowy, grapey aromas of the Muscat are admittedly much more characterful than the neutral nose of the Chardonnay. Both wines are clean, crisp and models of modern winemaking i.e. slightly characterless.

MARKS & SPENCER Slightly lacklustre range at the moment but these seem the best buys to me.

WHITES Chablis 1988 £5.99. Continuing a long tradition of St Michael's apparently being one of the first in line for a fine sample from La Chablisienne co-operative, this 1988 is tingingly ripe to the piercing green Chardonnay flavours that define Chablis.

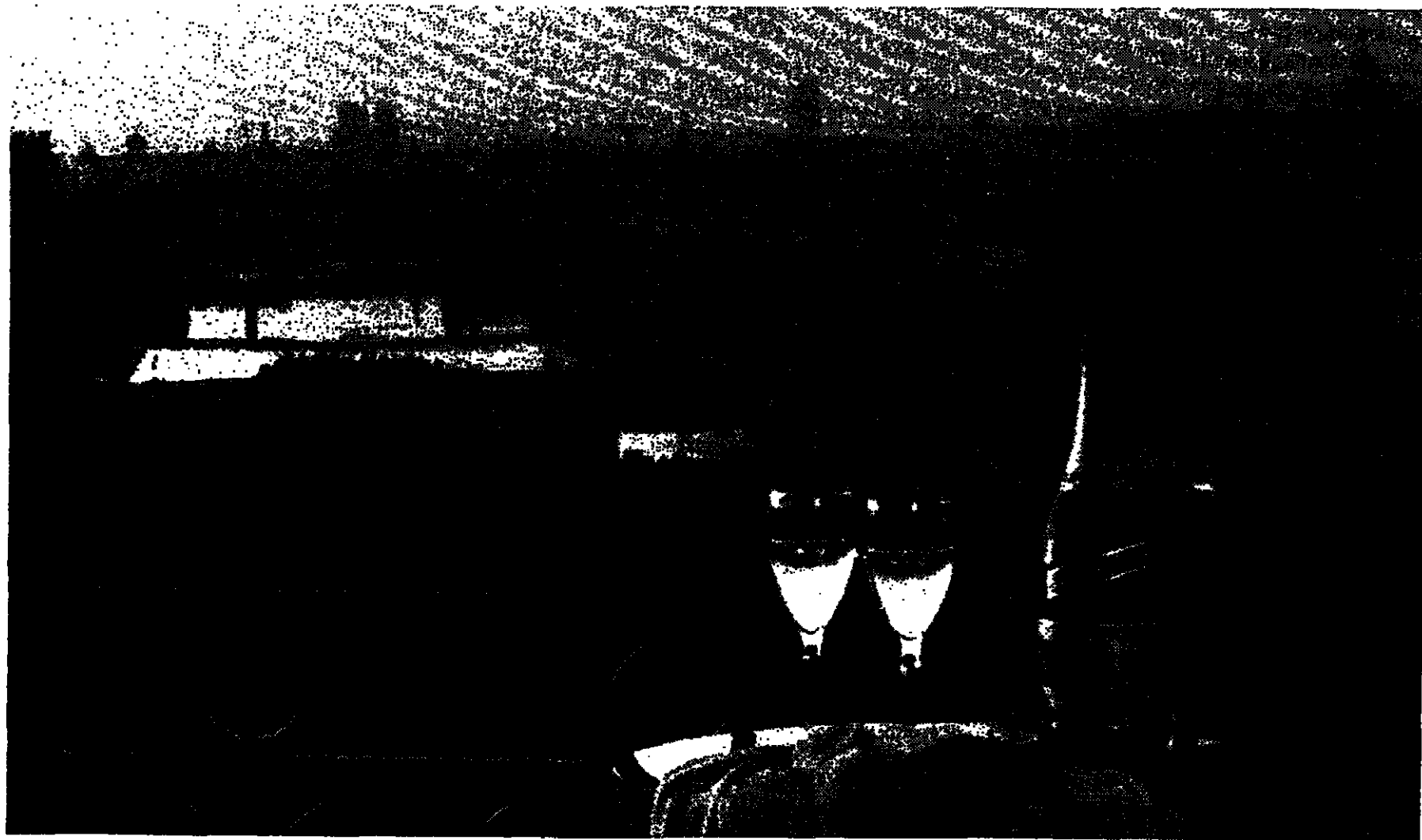
RED Vin de Pays Nouveau Rouge 1990, £2.59. I could imagine this light, fruity, quite spicy just-red from Roussillon being a useful lunchtime drink on the lesser days of Christmas. Serve coolish.

SAFeway Also trying hard with Germans, about which more next year.

REDS Vranac 1986, £2.79. A miracle from Montenegro: dense, dark, savoury bouquet. Clean and vibrant. No tannin but lots of fruit, balance and lovely acid at the end. This is just the sort of wine I expect to vary from bottle to bottle, but only good ones have come my way.

Château de Caragailles 1988 £3.49. A dangerous organic red Corbières that clearly takes chances in its wine-making but there's far more warm, southern life here than in the over-filtered, sterile bottlings that are the supermarket norm.

PARIS A TROIS. TOI, CHARLES HEIDSIECK ET MOI.



Charles Heidsieck

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## FOOD &amp; WINE

## A chef talks turkey

David Dorricott, executive chef at a top London hotel, explains how he and his brigade cook Christmas lunch

IF THIS were television, cooking a typical Christmas lunch for 400 would simply involve taking 20 turkeys which I happened to have prepared earlier. Sadly, in a hotel kitchen, no such short cuts are possible.

A typical December day starts at 7am. The hotel butcher removes the breasts from the turkeys, cuts a pocket in them, which is then filled with a mixture of sausage meat, glazed caramelised chestnuts and diced celery. The drumsticks are separated from the thighs, de-boned, rolled and tied, while the bones, together with onions, carrots, celery, bay leaves, thyme, peppercorns and parsley stalks, go into 80 litre stockpots to make the jus, or gravy.

From 7.30am vegetables and all other deliveries arrive. There are 400 standard shopping items on my daily food market list but this expands dramatically at Christmas to include exotica such as wonderful clementines spotted on the Paris market and bought to dress the hotel lobby or to give away to the guests. Some 40lb of Brussels sprouts are delivered. They are much too large and are returned to the supplier who has 1½ hours to replace them. The 800 nicely

shaped potatoes for roasting are fine.

My deputy at the London Portman Intercontinental, the sous-chef in charge of the banqueting chefs, constantly checks details. Even in the most organised kitchen, someone will decide to use one vegetable for a purpose other than that for which it was ordered. The silver trays are scrutinised and the consistency of the jus tasted; for the 400 guests there are 15 litres of jus containing six bottles of wine. The first course, a leak terrine on a bed of wild mushrooms, is served. It has used 35 cases of baby leeks, two cases of girolle, two cases of black trumpet and three cases of *piad de monton* mushrooms; five chefs have been occupied for four hours slicing mushrooms, preparing leeks and lining moulds.

Magically, 40 silver soup tureens appear just as the turkeys leave the kitchen. Nobody at catering college teaches you how to judge how long it will take to fill these tureens or whether they will fit in the available space. Only the ritual of filling them over and over again makes this go right.

Now to the turkeys. Two slices of breast and one of thigh per person, which are carved after the soup has been

served. To maintain their flavour, to keep the breasts moist and to brown the turkeys evenly, they have been cooking since early morning under covers of muslin soaked in clarified butter, which maintains flavour and moisture and browns the meat evenly. The sprouts, this time the correct size, are heated in butter and, as the soup tureens are returned to the kitchen porters, the noise is excruciating.

The logistics of lighting 40 Christmas puddings at the same time would defeat many a kitchen brigade, regardless of size. The secret lies in serried ranks of waiters who, with piping hot puddings in their hands, walk past a chef stationed just outside the ballroom door. Ladle in one hand, a sauceman of flaming brandy in the other, well away from the fire detector, he dexterously coats each pudding as waiters cross on to the "stage".

This busy banqueting period ends by December 23 which allows me the luxury of planning for Christmas Day itself. The logistics that day are very different from any other day of the year. Although only 12 of the total brigade of 40 will be needed, arranging the staff rotas until after the New Year while trying to keep all the

chefs happy is almost impossible. There are some inducements, however, to work on Christmas Day: chefs are offered two days off in lieu or overtime at double pay which can reward them with an extra £50-£70. Taxis are included and, if rooms are available, they can stay overnight in the hotel. Consideration is taken of religious and family commitments and those who do work on Christmas Day are free on New Year's Eve. Part of any executive chef's job is, regrettably, to work on both.

Christmas Day is also different in the kitchen because none of our suppliers is working. Everything, we hope, is in stock and the loading bay is dead quiet. Work progresses uninterrupted. While the turkeys cook the larder prepares the first course and any last minute details are checked by the sous chef - the number of children, the odd vegetarian meal and even a birthday cake.

Meanwhile one less well-known tradition is enacted. From the kitchens of some of London's top hotels, the executive chef quietly slips away and, still in his whites, makes his way to the small office occupied by Peter Kromberg in the kitchens of the Inter-Continental, Hyde Park



Seated: Peter Kromberg (Intercontinental Hyde Park); from left: Eddie Fitzpatrick (Forum); Martin Hollyer (Britannia); David Dorricott; Keith Stanley (Ritz); Michael Coaker (Mayfair); David Nicholls (Royal Garden); and Anton Mosimann (Mosimanns)

for what has become known as KOC - Kromberg's Christmas Quail. For the past six years, a number of colleagues and friends who are all working on Christmas morning gather for a glass or two of champagne and a few canapés to celebrate

the day. After 45 minutes it is back to work.

We will serve 180 for Christmas Day lunch. The hum of conversation and the sound of crackers leaves no one in the kitchen in any doubt that people are having a good time.

Gradually, the noise in the kitchen dampens as stomachs begin to fill and soon there is just the clearing up to be done. At 5.30pm we - the chefs and waiters - sit down to our well deserved lunch, and over a few glasses of wine wish each

other, and our customers, a Happy Christmas. ■ David Petrie, who featured in our article on banqueting on December 8, is Banqueting Manager, Inn on the Park, Hamilton Place, London W1. Tel 071-499 0688, fax 493-1895.

## Cookery

## Alternative pudding

Philippa Davenport with a few frothy and festive confections

THE SPICED beef, cooked and wrapped, rests in the fridge after its headily scented cure. The ham, its knuckle smartly dressed with a frill, is ready and waiting in the larder.

The Christmas bird is plucked and its giblets have made a richly savoury stock. The wines, cheeses and nuts are laid by, leaving only perishable vegetables and fruits to be bought.

For one blissful moment Christmas catering seems to be under control. And then I remember the pudding - or rather the lack of one. It is far too late now to start stirring up a plum pudding mixture and I don't think I could face all the chopping, grating and baking needed to make first mincemeat and then mince pies. What the hell.

The idea of Christmas without the usual pudding and pies has a certain appeal. Instead of all that stodge how about whipping up a few frothy and alcoholic confections?

## PRUNE &amp; PORT WINE JELLIES

These are dark and fragrant, and have a good kick to them because only some of the port is heated. Bring very slowly to simmering point ½ pt each of tea and port with ½ lb sugar, a bruised cinnamon stick and the finely grated zest of an orange.

Cover and leave to infuse for 30 minutes before straining the liquid on to a dozen prunes which have been stoned and chopped. Leave until cold then strain off the liquid and soak then dissolve one tablespoon of gelatine powder in it.

When the gelatine liquid has cooled a little, stir in 12 fl oz of port and the prunes. Divide the mixture, when it is syrupy, between eight small glasses and leave to set. Serve at room temperature, as is or crowned with spoonfuls of crème fraîche.

## GINGER SYLLABUBS

Another seasonal favourite, this is blessedly quick and easy to prepare. Mix two tablespoons each of lemon juice and syrup from a jar of stem ginger with 2 oz icing sugar. When smoothly blended add 1-2 oz finely chopped stem ginger and six tablespoons dry sherry. Slowly pour on ½ pt chilled double cream, stirring with a whisk all the while. Then whisk until the mixture holds its shape and spoon into six little custard cups or glasses.

## TIPSY TRIFLE

If you have a little more time and energy to devote to pudding making, this might make a popular choice. Put into a 3½ pt glass dish a slightly stale Victoria sponge

cake broken into pieces (or some shop-bought trifle sponges).

Stir three tablespoons of brandy into, say, eight tablespoons of sherry and dose the cake with the mixture.

Make a pouring custard with 4 egg yolks, 1 oz or so of caster sugar and ½ pt each of rich milk and single cream. Stabilise the custard with a little cornflour if you like and flavour it with vanilla or cinnamon.

Scatter a few crushed amaretti biscuits over the sponge, adding a splash more alcohol if the cake seems insufficiently tipsy. Spoon on about ½ lb thick cut marmalade or whole black cherry jam, maybe thinning the preserve with a tablespoon or so of brandy or freshly squeezed orange juice so that it spreads smoothly.

Cover with the tepid custard. Cool then chill for a couple of hours. Whip ½ pt double cream with two tablespoons of brandy. Spoon the brandy cream over the trifle, cover and chill overnight to allow flavours to blend and mature. Decorate, as simply or as elaborately as the mood takes you, shortly before serving.

## RAISINS IN WINE

The easiest solution of all would be to offer a pudding wine, such as the one from Setúbal, which I first tasted on a recent trip to Portugal, served with bunches of those exquisitely plump and juicy Malaga raisins that are dried on the vine and sold on the branch.

These really are very special, deserving to be served with a little panache in silver bonbon dishes or in decorative boxes or baskets padded with cushions of white tissue paper.

Let everyone help themselves to a few clusters and drop individual raisins into their glasses of chilled sweet wine. The idea is to let the raisins soak for a minute or two so they soften and swell a little before scooping them out with a teaspoon to eat.

## A TRIO OF GRAPES

If you want to take the idea a step further, accompany Malaga raisins and pudding wine with grapes served in two other guises. First, a dish of fresh hothouse grapes, the best you can find, large luscious and fleshy, with a fine bloom to their skins.

Second, a dish of frosted grapes. Choose a small seedless variety of grape for frosting. Divide the bunch into clusters and dip each mini-bunch first in raw egg white, then in sugar. Leave them in a warm kitchen on a tray lined with greaseproof paper for an hour or so until the coating has dried to a crystalline sparkle.

NUMBER X. OF SWEET FAREWELLS (AND SWEETER BEGINNINGS).

## GLENMORANGIE

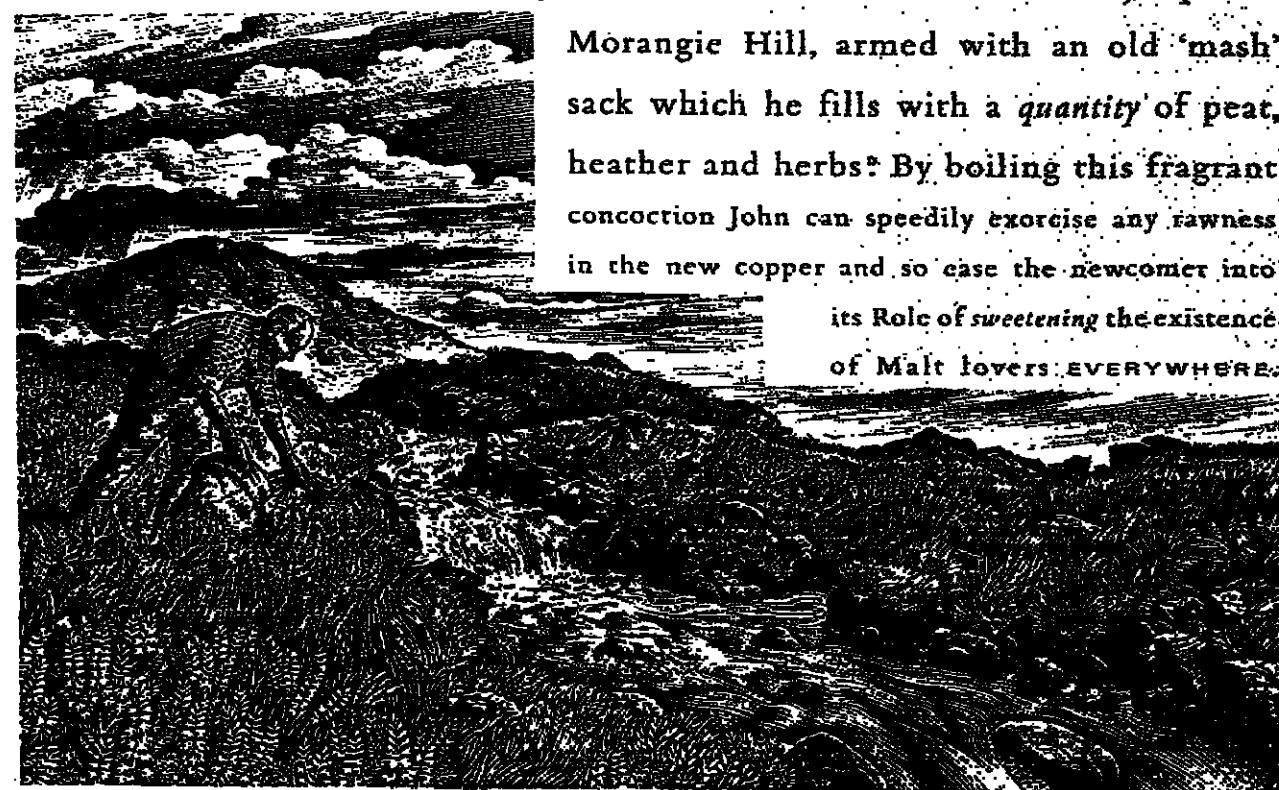
10 YEARS OLD

## SINGLE HIGHLAND MALT

SCOTCH WHISKY

John Murray is a Seasoned Observer of the effects of Time and Change upon the Men, and upon the whisky which his skill helps to coax from Ross-shire Barley and Spring Water; (to John falls the duty of WELCOMING in the new Distillation\*). Over the years he must occasionally ACCOMMODATE a significant

newcomer at the Distillery, in the elegant swan-necked shape of the New Still. The replacement of these Distillery work-horses involves John in a ritual known as 'Sweetening The Still'. This sends him away up the Morangie Hill, armed with an old 'mash' sack which he fills with a quantity of peat, heather and herbs. By boiling this fragrant concoction John can speedily exorcise any rawness in the new copper and so ease the newcomer into its role of sweetening the existence of Malt lovers EVERYWHERE.



\*HANDCRAFTED by the SIXTEEN MEN of TAIN.

A. As DISTILLERY PHOTOGRAPHER JOHN MURRAY AT ALL RELEVANT CEREMONIES - ESPECIALLY THOSE THAT ARE NOT OF AVERAGE SIZE - HE LEARNED AND PRACTISING THEIR CRAFT.

B. As STILLMAN, HE MUST FIRST PRESENTLY BEAT THE SPIRITS AND ACQUAINT THE CHALLENGER AND ELABORATE OF NEW MALT, THE AS WELL AS BEING A GOOD TASTE.

C. REPLACING A STILL IS A PARTICULARLY DANGEROUS TASK AT GLENMORANGIE, AS IT INVOLVES THE RISKING OF THE STILLHOUSE 'BOOM'. BUT WHEN THE DISTILLERY BOSS INSIST UPON THE VIEWPOINT OF SCOTLAND - SURELY THAT ONLY THE PERFECTLY FROSTED ACCORD TO CONDUCE INTO THE MOUNTAIN MALT OF TAIN.

D. SWEETENING THE STILL. GORDON DURING THE SILENT CHANGING - AUGUST - WHEN THE OLD DISTILLER ARE, ESPECIALLY "MURRAY".

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## GARDENING/TRAVEL

**B**ETWEEN THE droughts and the weird winter it has been hard enough to know what to do with the garden. It has been even harder to know what to do with the house. What if you have borrowed too much for comfort or, worse, if you have been trying to sell it for a long time? Why not uproot during Christmas, head for the bottom of the garden, and leave the rest of a credit-mad world to live with its own lunacy?

I suggest that you climb high, the higher the better. A few weeks ago, I referred to the house in a large oak tree where the Roman Emperor, Caligula, entertained his guests to dinner. I also compared it with a tree-house which I thought that I remembered in the book, *Snailslow and Amazons*.

Shrewd readers of the FT know their Swallows and Amazons and have told me ever since that there are no tree-houses in the book. Hammonds are swinging between trees on the children's island, but if you want a real tree-house in children's fiction, you have to look back to the *Swiss Family Robinson*. Alternatively, you could look back to the exploits of someone called Milly Molly Mandy, whom I expect that they would all prefer to have forgotten.

Caligula, anyway, did have one and would dispose of unwanted guests when he had enough of them. I am not suggesting that you take Caligula as your role-model for Christmas, but I do think that there is scope for the imagination among the trees and perhaps it can help you start it swinging. It might even be possible to live an entire life above ground.

Italo Calvino invented an 18th century baron who lived his life above ground in woods. The story has appeared in paperback in a collection called *Our Ancestors*. Up in the trees, the young baron studies the intellectual subjects of the Enlightenment; he entertains a bandit and becomes a magnetic object of local gossip. For half the year, the elegant Viola rides out to visit him and they make love in the branches of old trees.

The baron has no idea of her promiscuous life for the rest of the year in Paris until two of her Italian lovers meet one day beneath his tree. Viola

## Put down roots, move into a tree house

Robin Lane Fox looks at the appeal of arboreal homes

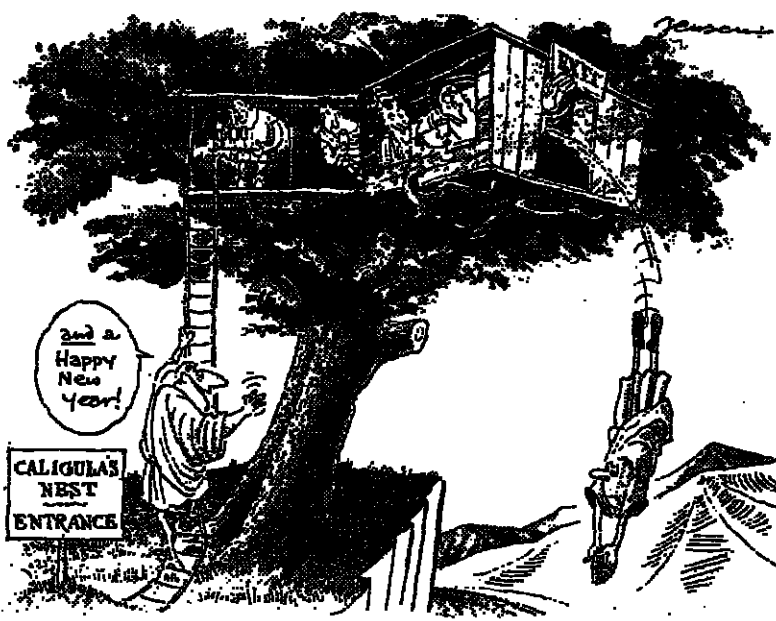
tells them that she will favour the one who is willing to share her. Both agree at once to time-sharing: the young baron realises her infidelity and embarks on a tragic tree-bound lament, which is a rich source of ideas for frustrated love.

In your trees this Christmas there will probably be no Violas: they spend the winter months in Paris. There may, however, be scope for imaginative building, for constructing a "chez-soi loin de chez-soi," as a recent number of *Elle* described the English tree-house for its French readers. One such builder, Anthony Aikman, has even written a book on the history of the species. His *Tree Houses* does a marvellous job, but it leaves me feeling that we are less keen on tree-living than our grandfathers.

There is a strong Oriental tradition. The homes for monks and hermits in the branches of banyan trees, the plane-trees of Iran, which used to have saints in them, or the great tree in Sri Lanka, whose house was a grandstand box for the elephant racing. We should exclude platforms built for hunting, although they can turn into tree-hotels. (Tree Tops, after all, began in this way in Kenya.)

Trees with hollows inside them are not the real thing, either, although English kings, highwaymen and runaway children have found refuge or a dark, spidery home in their enclosure. In the 6th AD, an important Roman senator found an enormous hollow plane-tree in the province of what is now modern Turkey. He died it with 18 of his friends and, according to Pliny, "enjoyed himself more among the foliage than among the splendour of marble halls."

I am not suggesting you eat Christmas dinner in a tree trunk, but you



might enjoy it more if you took to the branches. In Cobham, Surrey, in 1629, you could have eaten it in a pleached line with three separate floors, one of which was a banquet-house and the "goodliest spectacle," a contemporary tells us, "mine eyes ever beheld for one tree to carry."

In the turbulent year of 1848, Paris went one better. A restaurant-owner called Plessy or Plessy Family Robinson that imitated their home: he put trellises of rambling roses round a huge chestnut tree and opened a restaurant in the top of it. It survived the revolution and was such a hit that dozens of trees were converted beside

it: Aikman describes the effect as "a romantic arboreal equivalent of dining by candlelight."

Champagne and roast chicken were hauled up in baskets on ropes. "Aux arbres, citoyens," I suppose the diners used to sing: all the trees have now been left to make way for housing.

In Shropshire at Pitchford Hall, a tree-house is listed Grade I: it cost its owners nearly £15,000 when they restored it about ten years ago and, even then, it had not returned to its Georgian splendour. In the 18th century, the Pitchford house was given a beautifully plastered interior, while the outside was surfaced with a coat-

ing which looked like stone. "A stone-built Georgian house with commanding views of its supporting branches..."

On the ground, the property market has certainly died throughout the green belt, but might there still be some action in the tree trunks? It has been an awful year for the agents, but they might be more cheerful if they knew G.K. Chesterton's advice.

One of the stories in his *Club of Quaker Trades* suggests an unexplored reason why the market may be slow at normal level. It centres on Lieutenant Keith.

The Lieutenant is an elusive man, but he gives his address as The Elms, Buxton Common, near Purley. The point of Chesterton's story is that he means the address literally. Purley contains "one of those ragged suburbs of the cosmos, half-forgotten by God."

The story's other characters cannot track down the Lieutenant until they take a hint from a rare tradesman, Mr. P. Montmorency, who describes himself as an agent in arboreal villas. Arboreal agents do not sell ordinary houses: they sell the very thing we need, houses halfway up a tree.

Estate agency, Montmorency tells us, ran in his family, but he was really a botanist at heart: he compromised and started this new trade. Apparently, there was quite a scope for it even in the 20s, and insurance companies could have made worse buys. "It's being kept quiet at present because people who want these houses don't want them to get too common..."

So far as I can discover, The Elms, Buxton Common, did not survive Dutch Elm. It may, however, be that arboreal villa agency is still an active if little known market. If you are having problems moving, you might like to put out feelers.

## Kings of the wild frontier

Peter Berlin explores the Yukon

**T**HE BAND moved from *Living on Tulsa Time* to *When You Play in Texas You Gotta Have a Fiddle in the Band*, which was odd because they didn't have a fiddle in the band and we were not in Texas. But then we were not in Tulsa, either. Not by 2,500 miles.

In the corner a man in a large stationer clicked the balls around a full-sized pool table. The large TV set above the fire door was showing wrestling and trouble was brewing at two tables near the bar.

The muscular teenager who had been knocking back the Budweisers with his teenage buddies took exception to something the Indian at the next table had said. The two were quickly on their feet, jabbing fingers, waving fists, shouting insults and threats. Their companions pulled them apart and then calmed them.

A short, bald friend of the Indian's could not resist a parting shot. He hit paydirt. The muscular youth reacted as if he had received an electric shock.

He did not quite lunge hard enough to break free of his friends' grasp as he clawed and swung at the fat man. After a

### There was nothing between the bar and the Arctic Circle

lot of shouting and pointing a bouncer threw him out of the fire doors. Within seconds he was back through the main door, crawling the room half-swaggering, half staggering. The bouncer threw him through the fire doors again, this time without bothering to open them.

Outside, in the mizzle of the autumn night, the young redneck stood brooding beside the Alaska Highway. Not a vehicle was in sight, not even one of the 50-ton ore trucks. Just the rain, the road and the forest stretching off through the dark to the Arctic circle from the car park of the cowboy bar on the edge of Whitehorse, capital of Yukon Territory in the wild north-west on North America's last frontier.

Yukon Territory covers 306,000 square miles - more than twice the area of the UK. It has a population of 30,000. About a quarter of those are Indian or aboriginal, and the balance immigrants. Although the dividing lines are blurred, in practice the economic and social divisions can be sharp. The Indians and the government are currently involved in land claims negotiations. These are quite far advanced and propose that 16,000 square miles, 8.6 per cent of the Yukon, should be handed back to the Indians.

Whites started coming to the Yukon in numbers in 1896, the year of the Klondike gold rush. Prospectors would land at Skagway and Dyea on the Alaska mainland, 600 miles from Dawson City, boom town of the legendary gold fields in the heart of the Yukon.

The first 33 miles along either the Chilkoot Trail or White Pass through the coastal mountains to Lake Bennett were the toughest. To keep the riff-raff out the Canadians declared that every prospector had to bring a year's supplies, 1,000 lbs in weight. Mounties would sit on the Canadian border at the tops of the passes to enforce the rules.

Chilkoot was too steep for pack animals, but more than 3,000 died on the White Pass Trail, many at Dead Horse Gulch. It took the prospectors three months to get to the mountains to the lakes. Some entrepreneurs set up a sawmill to build rafts so they could float themselves on to the headwaters of the Yukon river.

Today the trails are popular with hikers. For the lazier traveller it takes a couple of hours to cross the mountains by car over terrain that has hardly changed.

The town tries hard to preserve its frontier charm. The main street is still like the set of a western movie, two-story wooden buildings with wooden sidewalks running along their fronts. From there, White Pass rises steep and narrow to the north, a trap for rain and wind. Its steep rock walls are densely wooded with pines and fir-wood that turns bright orange in the fall. Through the woods streams plunge and leap down to the white river carving through the valley.

Over the border, the road begins to slide down the north side of the range. Dark still lakes spread across the flowered landscape and strange lichens and tiny conifers cling

to protected slopes. The very geometry of the place seems unwieldy.

The highway drops through the mountains alongside a long narrow arm of Tutshi lake. At the base of the mountains the road runs across the neck of Lake Bennett at Carcross, where prospectors would beach their boats and start off down the fast-flowing Yukon. On the other side, in the mountain rainshadow, there are sand dunes and a tongue-in-cheek sign proclaims this to be the world's smallest desert. The end of the desert laps the bird waters of Emerald lake, glacial-fed and vivid blue.

The gold prospectors had nearly all given up by 1900. Many headed hopefully for Alaska where gold was discovered in 1898. However, mining remains the chief industry of the Yukon, and the most terrifying sight on the highway are the 85ft trucks hanging down from the Faro mine to Skagway.

On their long trailers sit four huge marmite-like buildings up to 13 tons of powdered lead-zinc ore. The great pots are topped with huge lids which have no visible fastening. I confessed to a local that I was afraid one of these giant lids might fall off, roll down the highway and crush my car.

"Oh no," he said earnestly, "they are made of glass and fly off like Frisbees."

The trucks are meant to set off at 50-minute intervals, but we came across half-a-dozen in half-an-hour picking their way carefully like great yellow insects through dried earth and shattered stumps on a mountainside where the highway was being rebuilt. Just 50 miles north of Lake Bennett lies Whitehorse, the provincial capital. Nowadays the journey is quick and easy on the flat highway which arrows through the endless forest. For the prospectors, the trip presented potentially fatal hazards. Locals say Whitehorse takes its name from the white-capped rapids which mark the limits of safe navigation on the Yukon river. Paddle steamers would moor there and pick up the prospectors for the ride down-river to the Klondike. But before reaching Whitehorse the prospectors had to take the sharp rocks, boiling currents and freezing waters of Miles canyon a few miles upstream. Many drowned.

### Prospectors had to survive a fierce natural environment

Two-thirds of the population of the Yukon live in the capital which sprawls across the wooded foothills above the river. Its chief business is government and law. From any point in the town the rolling woodlands are in view. It is the wilderness which is the Yukon's greatest attraction. In the summer the woods around Whitehorse offer pleasant hiking in winter, cross-country skiing. To the west and north-west lie the mountains and glaciers of the Wrangell mountains, part of the Alaska range centred on Mount McKinley, the last and tallest of the Rocky Mountain chain. To the east, the mountains end, is the permafrost.

In winter the weather is bitterly cold and the days short. In mid-December Whitehorse has six hours of daylight. Dawson City just three hours and 45 minutes. In the middle of summer the weather is mild and dry and average temperatures range from 10°C to 20°C. Dawson City enjoys almost 24 hours of sunlight every day in June and July.

Although nature in the far north is not generous, the limited presence of humans allows the larger beasts to survive in peace. The territory is home to black and grizzly bears, wolves, white tail sheep, lynx, beaver, coyotes and wolverines - and, the camper should be warned, plenty of mosquitoes.

The locals take a pragmatic view of their neighbours. I was flown in to Whitehorse from Anchorage by an Alaskan "out-fitter" who specialises in taking tourists to find the big game, landing his twin-engine plane on back roads or glaciers.

As we made our final approach to Whitehorse airport an eagle suddenly rose towards us, immobile on an updraft. A twitch of the joystick and the great bird flashed by a few feet from the cockpit.

"Wow," I said. "It's huge."

"Yeah," said the pilot. "You hit one of those and it can do some very expensive damage to the plane."

## WITCH HAZELS

were discovered by the early settlers in America and were given this popular name because of a close resemblance to the British hazel and the similar suitability of the branches as divining rods with which to search for water. This seemingly magical quality was enhanced by various healing properties and extracts of witch hazel are still widely used for medicinal purposes.

This American species, named *Hamamelis virginiana*, can reach a height of 20 feet or more so is regarded more correctly as a small tree rather than a shrub but it has typical witch hazel flowers made up of very narrow, rather crumpled petals arranged in spidery clusters. They are lemon yellow, numerous but not large and come in autumn rather than in the depth of winter.

Once introduced to Britain this witch hazel quickly established itself as a garden plant but has never become widely planted for ornament, probably because of its size and fairly

small flowers. Yet it is still much grown by nurserymen as a rootstock on which to graft other more showy kinds.

Real popularity for the witch hazels did not come until the introduction of two species from the Far East: one, *Hamamelis japonica*, from Japan, and the other, *H. mollis*, from China. Both have larger flowers than those of *H. virginiana* and are also sweetly scented but those of *H. mollis* more so than those of *H. japonica*.

Both flower in mid-to-late winter by which time outdoor flowers have become really scarce and the sweet perfume of a witch hazel carried for many yards on a still, mild December or January day, can be one of the great delights of the garden.

It was not long before nurserymen and amateur gardeners were crossing these fine

## It's absolutely magic

Arthur Hellyer on the properties of witch hazel

new shrubs and since they were not always forthcoming in explaining what they were doing it is not always possible to be quite certain of the precise parentage of the hybrids that are now available.

It is a problem that is of greater interest to botanists than to gardeners since, as I have explained before, the garden names given are adequate for identification and precise ordering. The best of these garden hybrids or selections are probably *Pallida*, *Jelena* and *Diane* but the species *H. mollis* is so decorative that it should be grown if there is room for it. *Pallida* is very close to it differing mainly in slightly larger flowers of a lighter, more penetrating yellow. Many experts regard it as simply a good form of the species but both *Jelena* and *Diane* clearly show the influence of *H. japonica* in

their much deeper coloured flowers, those of *Jelena* a mixture of dull red and yellow and those of *Diane* coppery red. Both these varieties also excel in autumn leaf colour but *H. mollis* and *Pallida* are also good in this respect.

All witch hazels seem to prefer neutral or slightly acid soils but of greater importance is that they should not dry out seriously at any time. Peat, leaf moulds and well rotted garden compost can be used freely in the preparation of sites which should, for preference, be in full sun or at the very least with plenty of light which encourages flowering.

If pruning is necessary to keep a bush to its allotted space it is best done immediately after flowering. Some branches should be removed completely rather than shortened to preserve the bush's

natural shape.

Even more care is needed in pruning the winter sweet or *Chimonanthus* - another of winter's top performers for scent although not an eye catcher like the best of the witch hazels. The petals are almost transparent, the larger ones yellowish green, the smaller ones a rather dull purple and they are carried singly close to the older stems.

Few, if any, will be found on young plants, a habit which makes winter sweet rather unattractive to garden centre owners since it means that it is very difficult to present plants to customers in flower and, in any event, not many customers are likely to be visiting such places in December, January or February when the winter sweet is in bloom.

So, if you wish to possess a plant - and it is certainly

an extra on the lesser ones.

The 2.5 litre, 4-cylinder turbo-diesel is rough and noisy when fired-up first thing and when idling. It smooths out nicely on the move but at no time would you mistake it for a petrol engine, as one might the urban but relatively lecherous 3-litre 6-cylinder diesel Mercedes puts in the G-Wagen.

On the motorway, the Range Rover TD easily keeps up with the pack. Driven considerably, its consumption can be as good as 27 mpg (10.46 l/100km), providing you do not over-exploit its turbocharged acceleration.

Before experiencing the costly delights of the wood-veneer and leather-trimmed Range Rovers, I had a good day banging the latest Land Rover Defender about in really rough driving country at Eastnor Castle, Herefordshire. Axle deep in mud and clawing up gradients that would be difficult to climb on two feet, the Defender turbo-diesel is in its element.

I would not choose to drive one far on the road but in the wilds of Eastnor it was unstoppable.

Feet off the pedals and with low range first gear engaged, the Defender diesel would itself slowly and controllably down slopes almost as steep as precipices. Nothing seemed impossible for this he-man among 4x4s.

It is a genuine off-roader - the sort you clean inside with a hosepipe, not a Hoover.

or better than, many larger and far costlier cars.

Most new models are bigger than those they replace, which seems odd at a time of increasing traffic congestion. The new Metro is no bigger than the old one; just very much better.

Other Rover products, such as the Honda Concerto-based 200 and 400 models, have demonstrated in 1990 that the bad old days for the only British-owned volume manufacturer have gone.

For design, quality and performance, Rovers compare well with all the competition. If there were an award for the car maker whose products have shown most improvement, it would have to go to Rover.



The highest performing Range Rover so far is the luxurious CSK

horsepower. 3-litre Mercedes-Benz G-Wagen (this column, Dec 8/9).

High cruising speeds and big 4x4s do not realistically go together. At 90 mph/145 kmh the CSK was still accelerating strongly and felt absolutely relaxed, with the engine turning over at a shade more than 3,000 rpm. But at this kind of speed they develop a drinking problem.

In mathematical terms, a vehicle's aerodynamic drag increases as the square of its speed. What this means in practice is that at 80 mph and over, bluff 4x4s, which are about as streamlined as tithe barns, start guzzling fuel as if

they were going out of fashion.

The official figures say a CSK would average about 19 mpg (14.9 l/100km). But the warning light told me after 220 miles (354 km) of mainly motorway driving it was time to refill the 18.5 gallon (76.3 litre) tank. That suggests a consumption of nearer 15 mpg (18.8 l/100km).

Fitting anti-roll bars and sports dampers to the suspension has made the CSK much less ruly-poly than previous Range Rovers. For a car with massive beam axles and heavy wheels and tyres, it rides and handles remarkably well by on-off road 4x4 standards. Independent front

suspension would make it better still, even if it slightly reduced its capabilities on the kind of rough terrain where few owners would dream of taking it.

The gearshift is not too heavy, the clutch is a muscle builder, but the transmission is not as refined as that of the Mercedes-Benz G-Wagen. As the engine has so much pulling power at low speeds, not much shifting is needed in traffic.

After a week with the CSK I switched to a 1991 Range Rover turbo-diesel with the same suspension improvements as CSK. They are standard on Vogue and Vogue SE models,

When you think that this was Toyota's first stab at making a saloon car in the Mercedes 420, BMW 7-Series and Jaguar XJ-6 class, it was amazingly successful. It just shows what can be done with the right mix of technology, determination and seemingly unlimited financial resources.

The Honda NSX, an all-aluminium two-seater cast in the Italian supercar mould, bristles with innovation. I found it easy yet exhilarating to drive. After years of producing cars that offered a lot of largely unusable performance and not much else, Lotus hit the jack-

## The top three

LOOKING BACK over the past year, which new cars appealed to me most? Not those that did well in Europe's Car of the Year contest, though I rate the winning Renault Clio and runner-up Nissan Primera highly. No, the three from the 1990 crop that really stand out in my mind were not allowed to enter at all.

The Toyota Lexus LS 400, Honda NSX and Lotus Elan were all barred because they could not meet the organisers' conditions about numbers sold in various markets.

But for me the Lexus, Toyota's bid to beat Europe's large luxury cars makers at their own game and at a lower price, is unmatched for mechanical refinement.

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After years of producing cars that offered a lot of largely unusable performance and not much else, Lotus hit the jack-

pot with the Elan. This Japanese Lotus-engineered two-seater has an unusual but attractive two-seat open body and such beautifully balanced handling one simply isn't aware it is front wheel driven.

At the other end of the price and prestige spectrum is the delightful little Rover Metro. One could consider it almost a new car although its looks have hardly changed. The K-Series engine and Peugeot-designed but Rover-manufactured gearbox are efficient and up-to-date.

Redesigning the suspension has given it a ride as good as,

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TRAVEL

Jet-lagged, numb-bottomed and culturally confused. But it takes Nicholas Woodsworth no time at all to settle into the lap of luxury

# Mauritius: island of tropical jigsaw puzzles

IT IS early in the morning. Air Mauritius Flight 063 is 12 hours out of Heathrow, and in the bright light of a new Indian Ocean day our UK press group is looking distinctly rosy. The fashionable young woman from *Morie Claire* has slumped sideways in her seat and left her mouth unobscuredly open. *Wedding and Home* is curled up in a wrinkled, fetal ball. Expressions, who has been reading all night with blood-shot determination, has eyes that express nothing at all; they contain only the infinite bifurcations of detailed road maps.

I, personally, am feeling like death. In the paperback copy of *Flying Visits*, lying crumpled in my lap, Clive James has himself winging into Washington, Peking and Sydney as fresh as morning sunshine - no mention of what sitting up all night in a 747 really does to anyone over the age of 18. But James is also reassuring. Wherever you go in the world, he says, doing corny tourist things is not only all right, it is actually good for you.

Journalists who wax sentimental, talk only to important people and are too proud to indulge in guided tours or pool-side hotel barbecues are making a big mistake. Not only do they fail to get a real feeling for a place, they also fail to have fun. I am anxious to take Clive James' advice, and as our aircraft finally begins its descent, wish upon us every tour and barbecue to be found on the green little island below.

Mauritius is a surprising place, not at all the tropical paradise one might think an Indian Ocean island should be. True, it has palm trees, sand, coral reefs and some of the bluest water I have ever seen. But that is only part of it, and I for one am thankful. As anyone who has spent any time on them knows, tropical island paradises become boring very

fast. Geographically, as well as in every other way, this is an island of the oddest juxtapositions. It is as if someone had taken a shelf of jigsaw puzzles, mixed them up, and by some astonishing trick managed to make a handful of pieces fit together - a more intriguing mixture is hardly possible. All this we realise in dazed fashion as, staggering onto a mini tour bus complete with guide and squawky loud-speaker, we leave Sir Seewoosagur Ramgoolam International Airport (one of the easier names on the island) and bounce our way to the Hotel Saint Geran, our home for the coming days. Although it is only some 30 kms up the coast

*'The days drift by. We eat, we drink, we play...'*

from the airport, there is no direct route and we have to drive clean across the country, make a dog's leg and drive back. This is not quite as bad as it sounds; the sovereign state of Mauritius is only about the size of Surrey. There is no place on the island that is much more than an hour's drive from anywhere.

On the other hand, there is no road in Surrey that can match Mauritius for bumps and potholes. The whole system, including its famous ancient Angkor Cambridges and Morris Oxfords - comes from another age. I find it charming, but Mauritians say it will soon be modernised.

I am not so sure. I have an idea that the government suffers from an ongoing dwarf complex: as long as they keep the roads in awful shape, it will take longer to get anywhere, and make the island seem bigger. At any rate, our roundabout

route takes us past things that simply should not be together in one place - pines and palms, banyans and baobabs, oaks and oleanders. Down by the coast it is pure South Sea island. Up on the central plateau there are rainy bits of Scottish highland, hilly sections of Sri Lankan tea plantation, tawny stretches of African savannah. Turn one way and you gaze up at twisted mountain peaks. Turn the other and you overlook vast spreads of sugarcane running down to the sea.

The human geography, too, is wholly anarchic. We drive by Indian villages, English country churches, African shanty towns, old French rural houses, Chinese shops. None, what is more, is a watered-down version of something else. They are all authentic, the products of a long, varied history of colonial ownership and imported field labour.

The Indian villages have many pie-dogs and lovely sardar women carrying bright parasols over their heads. The English churches have bellies (bats, presumably, included) and cemeteries full of Smiths, Browns and Joneses. The French houses, pillared, verandahed and lost in wind-ruffled seas of sugarcane, are peopled by old island families that have lived with all the style of a privileged French rural gentry since well before the revolution of 1789.

By the time we reach the hotel we are shattered - jet-lagged, numb-bottomed and culturally confused. Did the French arrive before the English? Did the Dutch arrive after the Portuguese? Who came first, the Indian labourers or the Chinese coolies? Or did the African slaves beat them both to it? If everyone is able to live peacefully together here, how is it that the island's original inhabitant, the Dodo bird, is no longer with us? What time is it anyway? It is all rather distressing, except for *Morie Claire*, who has

fallen asleep again. Our infinitely skilled hosts at the Saint Geran soon have us unshattered. By 2pm we are anchored to underwater bar stools in a serpentine swimming pool studded with little islands on which gaily-dressed couples dine on smoked marlin and creole prawns.

A stone's throw away, a ridiculously postcard-like backdrop of blue sea, white sand and green palms is seen against the sky. It is all, however, perfectly real. We sit back on our watery seats, pale English faces to the sun. Expressions is quaffing strawberry daiquiries

(they match her eyes). *Wedding and Home* has chosen virgin white pina colodas, while *Morie Claire* has conservatively stuck to g and t. I determined to do the corny tourist thing: have opted for the infamous Dodo cocktail (pineapple juice, white rum, cherry liqueur, grenadine and crushed ice). The real challenge in drinking it is getting one's face through the forest of tropical flowers that rim the glass.

We settle into the lap of luxury as if to the manner born. The Saint Geran, winner of international awards for excellence, has just had a \$15m face-

lift, and provides every hospitality, refinement and cocktail kowtow to man. A press handout tells us that the hotel is the haunt of princesses and film stars. We hunt about for princesses but, alas, find none. In the end we have to make do with a paunchy Ken Bates, owner of Chelsea Football Club.

*Morie Claire* becomes an addict to waterskiing in the lagoon behind the hotel, and develops weight-lifter's shoulders. *Wedding and Home* swallows much salt water while snorkelling off the reef, and abandons sports in favour of

attending marriage ceremonies held on a little island in the hotel's tropical garden. Expressions lies on the beach and turns an ever angrier colour. I take large divots on the hotel's Gary Player-designed golf course, capsize a flimsy catamaran, and work my way through the cocktail list.

And so the days drift by. We eat, we drink, we play. We go on guided tours and attend pool-side barbecues. In the evening we indulge in pool-side cabarets and pool-side dancing. It is all corny tourist stuff, and marvellous. And like all corny tourist stuff, it must come to

an end and we must go home. Which, too soon, it does and we do.

Nicholas Woodsworth travelled c/o Air Mauritius (tel: 071-437-7075) and stayed at the Hotel Saint Geran (230-532-626, telex 4320).

Information about the hotel may be obtained in England from UK Sun International Hotels, Badgershoe House, Gravel Hill, Henley-on-Thames, Oxfordshire, RG9 4NE, (0491-574546).



Turn one way and you gaze up at twisted mountain peaks. Turn the other and you overlook vast spreads of sugarcane running down to the sea

## A week in Wisteria Cottage

Denise Heywood on country retreats for jaded business people

WISTERIA Cottage, one of three converted stables about a mile from Broadway in the Cotswolds, was to be ours for the week. It was immaculate to the point of being daunting: antique tables gleamed, the carpet looked new and the kitchen was a great deal better equipped than my own.

A three-course dinner ordered in advance was on the table, with instructions on how to heat it and a "welcome hamper" - butter, marmalade, coffee, tea, sugar, two loaves of bread, cake, fruit, cheese, milk and a bottle of wine - bulged on the table. The bedrooms had exposed beams, solid pine beds, white duvets, frilly pillows and rose-pink curtains.

The owners of Wisteria Cottage, and many others like it, are John Beddington, an economist and statistician at Imperial College, and his wife, a City of London solicitor, who met and got to know each other when, working on the same legal case a few years ago, they had to travel together on Concorde 17 times in 17 consecutive weeks.

How nice it would be, they day-dreamed, to have a country cottage to which they could retreat with their families from the tensions of work. By the end of the 17th journey it had occurred to them that other equally busy business people probably had the same dream.

The result was Rural Retreats, a company they formed to provide luxuriously furnished cottages that can be booked as and when required

in the way you would reserve a hotel room, except that there is a two-day minimum stay. The business took off and they now have about 40 properties in the Cotswolds, Suffolk, Yorkshire Dales, Peak District, Forest of Dean, Scotland and the Wye Valley, owning some and managing others.

There was a golden Cotswold stone manor house opposite Wisteria Cottage and a 12th century church dedicated to King Alfred's granddaughter just up the lane. Cows munched in the meadows and sheep grazed on the hills around us.

The Cotswolds have some of the most beautiful villages in England, but tourism has taken its toll. High on the list of visually perfect places is Broadway with its mellow honey-coloured houses and pink-flowering chestnut trees lining the main street. It is a lovely place to spend a day, but it is not a place to live. There are no decent shops for local people.

We decided to look for a less well-known place to spend a Sunday afternoon and found nearby Stanway House, a Jacobean manor that has been lived in by 15 generations of the same family since it was built in the days of Elizabeth I. It has changed little since other than by inheritance. Its present occupant is Lord Neidpath, son of the 12th Earl of Wemyss, who has lived there since 1976.

The fact that not many people seem to know it today, makes Stanway House pleasant to visit. "We get about 6,000 to 7,000 visitors a year and the number is going up gradually, but people like it the way it is," said Lord Neidpath, who works in the City. "It is the warmest room in the house" at a large round table cluttered with books and papers, with portraits of his ancestors on the walls.



"The way it is" - as we saw when Lord Neidpath, in jeans and a tweed jacket, showed us around - is grand but casual. And there is some intriguing furniture. In the Audit Room, tenant farmers still come to pay their quarterly rents (it saves postage) at the rent table used for the purpose since 1780.

Lord Neidpath took us up to the roof, which has a colony of bats, and on to the parapet walk, which has a view of landscaped grounds that include a 14th century tower, a water mill, ice house, brewery and dog cemetery.

That evening we heated our already prepared and delivered three-course meal in the microwave. It cost £25 for two, you make your choice from seven dishes per course, which are prepared in servings for two, so two of you have to like the same things.

We saw Hidcote Manor gardens in the rain but it could not spoil their beauty. The name Hidcote conjures up

scents of lavender and old roses and we weren't disappointed: both are there in profusion, along with herbaceous flowers and shrubs growing in separate gardens that are divided from each other by yew and copper beech hedges. Everything seems to grow contentedly together like one great cottage garden planted by an artist: it is all a sheer delight.

A Sunday afternoon walk in the sunshine took us up through woods, across fields and along lanes where wild sweet peas were in flower. We waded through meadows of the kind one thought no longer existed, with buttercups and clover in the high grass, and the church bells were ringing as we came down to Wisteria Cottage.

There are still unspoilt villages to be found in the Cotswolds, and Rural Retreats has cottages in several of them: a 16th century house in Ebrington, a converted schoolhouse in Lower Swell, and a 17th century silk mill in Blockley, where a stream runs alongside the main street and there is a grave of a trout that lived for such a long time it was buried with full honours.

Information: Rural Retreats, Blockley, Moreton-in-Marsh, Gloucestershire GL56 9DA, tel: 0566-701177. Until March 16 there are two special offers: a Winter Mid-Week Saver with 10 per cent reduction, prices from £128 for three- or four-night stays (Monday to Thursday); and extended weekend breaks from mid-afternoon on Friday to 6pm Sunday. Prices from £99.

PUNTA del Este, the St Tropez of South America, has three things in common with the French Riviera resort: big yachts, dirty beaches and sleaze.

The concrete tower blocks of Uruguay's premier holiday destination jut out of a countryside that boasts another French connection. The pine forests and grassy dunes at the mouth of the River Plate look like a transplant from the Biscay coast.

The aroma lingering at the roadside as you drive east from Montevideo, the capital, serves as an enticing appetiser to Punta del Este; but as a main course, the town does not live up to the expectations conjured by its pretty hinterland.

It is surprising that holiday-makers push on to the high-rise resort when they could settle for a round of golf or a swim at Atlántida, closer

## The French connection

to Montevideo, where an exclusive country club is hidden from view by the trees.

Further on, the lack of bookings at El Fortín de Santa Rosa, about 50 miles from Punta del Este, is even more bizarre. The old fortress dedicated to the Rose of Lima, the reclusive Peruvian virgin revered as the patron saint of South America, has been converted into a hotel and restaurant. A carpet of pine needles lines the path from the hotel to its private beach. The *rodiles* - beef grills - served at Santa Rosa are unrivalled on the Uruguayan coastline.

The mood is sleepy and in the little towns nearby, such as Portazuelo, the windsurfers and boules players complete the Riviera image.

As you drive up the main street of Punta del Este a countryside fit to be painted gives way to an urban peninsula with the Atlantic and the River Plate lapping at its doorsteps. The apartment and hotel blocks are made of drab concrete which gets drabber when the prevailing winds blow clouds from the ocean.

The wind that whistles up the Playa Brava - the beach on the Atlantic side of town - propels many customers towards Uruguay. Punta del Este Yacht Club is home to hundreds of fine sailing boats and motor cruisers, their tanned crews helping to maintain the town's jet-set image when they breeze in.

Latins are the town's best clients. In the peak season,

December to March, it is packed with punters from Buenos Aires, 15 minutes by jet across the River Plate. The wealthiest porteno residents of the Argentine capital, escape each winter to their private villas and yachts where they can forget about the hyper-inflation and political turmoil back home.

The Uruguayan tourist board claims that holidaymakers swarm into Punta del Este because it is one of the most lively places in the southern hemisphere. Out of season, it is relatively comatose. Many hotels close down altogether and the foreign-owned villas are boarded up.

However, the town's casino is open year round and when the banks close the proprietors

are happy to change major currencies. Winnings are in pesos and unless you demand large denominations, the tellers will exchange your chips for a bucketful of notes.

The house rules are lax and punters may sit from one table to another while the roulette wheels spin. Gamblers with armfuls of cash can make a quick getaway, for the casino sits beside the town bus station and there are regular departures to Carrasco airport.

As the old Greyhound buses pull out of Punta del Este, they pass a monument dedicated to Juan Días de Solís, the Spanish explorer who landed nearby in 1516 and discovered Uruguay. ■ *British Airways* (081-997-4000) offers two flights a week to Buenos Aires with connections to Montevideo and Punta del Este.

Tim Burt

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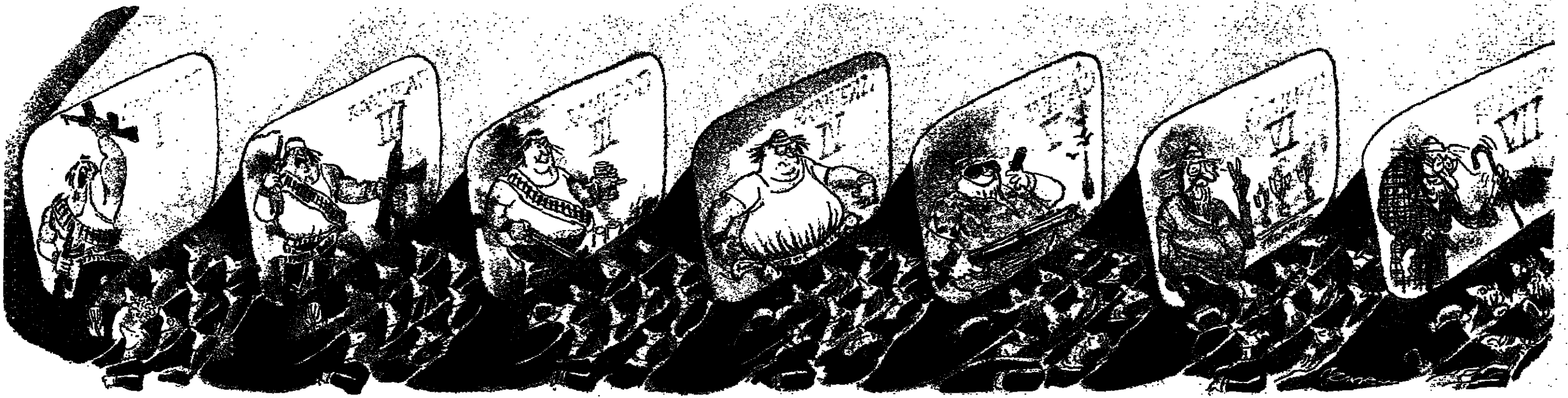
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## ARTS/MUSEUMS



# And now for something completely the same

Why don't Hollywood film makers allow a successful story to die gracefully? Nigel Andrews examines their passion for sequels

**D**URING THE late 1970s and throughout the 1980s only one thing in the world threatened to be more durable, and more phenomenal, than Mrs Thatcher - the cinema's trend for sequels.

*Jaws 2*, *Rambo 3*, *Halloween 5*, *Friday*, *The 13th Part 9*, *Indiana Jones And The Last Crusade*, *Next* or *Unpleasantville* - the spin-off industry has been a marvel of our times. It has succoured ailing studios, pleased and exasperated millions of filmgoers, and answered that great question of the narrative tradition "What next?" with the answer, "Pretty much the same as before, with a few small but well-hyped differences."

Sequels of a kind have been with us through film history: from *The Perils Of Pauline* to the exploits of James Bond. Nor are stories that make a serial killing at the cinema the only example of our lust for narrative continuity. "Back by popular demand" is an age-old concept. Shakespeare dragged his former hero Falstaff from retirement to put him in *The Merry Wives Of Windsor*. Conan Doyle killed Sherlock Holmes at the Reichenbach Falls only to resuscitate him for clamorous readers.

"Since cinema by nature bursts with repeatable sorcery - from stars to musical themes - it lends itself more readily than literature to recycled tales. But even by its own standards, moviedom's recent trend has been startlingly barefaced. Take a title: take a number; add one to the other; then loudly rattle the result and the audience will come running."

The studios' attitude to sequels is simple. I heard it first from Paramount production chief Ned Tanen, who gave the greenlight to hits such as *Crocodile Dundee 2* and *Beverly Hills Cop 2*. "If a sequel is guaranteed to make money, you owe it to your shareholders to do the film."

"I think it's the brand name phenomenon," says B-movie mogul Roger Corman.

"It's the same trend that has people wearing the name or logo of designers on their clothes. This would have been thought unspeakably vulgar some years ago. But just as people like to become identified with a brand of shirt, or with a Ford or Chevrolet motor car, they like the same thing in movies: the idea of the brand repeating itself."

"Movie sequels are not like episodes from a TV soap," says screenwriter Jeffrey Boam, of *Indiana Jones And The Last Crusade* and *Lethal Weapon 2*, when I suggest that large-screen follow-ons are really just *Dallas* and *Dynasty* writ large. "They repeat themselves but each time they aim for a bigger thrill, a new sense of 'event'. If we'd called *Lethal Weapon 2* something like 'Shoot-out On Wilshire Boulevard', and then in small print *Lethal Weapon 2*, few people would have come. You give them the brand name up-front, and if they liked it the first time they'll keep coming back."

But can the "stars" keep coming back, subject as they are to the laws of ageing? Actor Harold Ramis remembers clocking in with Bill Murray and Dan Aykroyd for *Ghostbusters 2*. "We were all about 20 lbs heavier and older. We were putting on the hair dye and painting over the bald spots. And we looked at each other and thought, 'Why are we doing this?'"

But the real antithesis to the get-me-out-of-this-series attitude is the star who wants to be in a sequel even when there isn't one. "I remember filming Faye Dunaway's death in *The Wicked Lady*," chuckles Michael Winner, who earlier won his sequel spurs on the *Death Wish* series.

"We had all the cameras set up and there was Faye fading away nicely. And suddenly she sat up in bed and said 'Should I die, Michael, or will it affect the sequel?'"

Dunaway was more intuitive than she knew. It is the character who makes a sequel series. Hence the swift mortality of

movie sagas in which character takes second place to concept or creature.

"The reason I never made *Jaws 2*, *3* or *4* was that it became hokey," says Steven Spielberg. "Audiences wouldn't buy the idea of a 26ft shark coming back every year to terrorise another beach, or an aquatic park, or a Caribbean island. It's just nonsense. Also, there were no characters in the *Jaws* films, they were all just shark bait. The only great character was Quint, played by Robert Shaw, and he was eaten in the first film."

"Whereas the character of Indiana Jones, and the way he's played by Harrison Ford, is what makes that a lasting series. You want to know more about him,

*Suddenly Faye Dunaway sat up in bed and said 'Should I die or will it affect the sequel?'*

you want to watch him go inexorably for the gold."

Character may be one *sine qua non* in a sequel saga. A built-in potential for continuity is another. "The reason I'd never make a sequel to *ET*," says Spielberg, "is that that kind of story can't occur twice. It had a definitive beginning, middle and end. It ended with a surge of music and the image of the boy looking into his own future, his own maturity. And that's it - you can't re-open that story and start fooling around with it." But what studio, if it could bypass Spielberg, wouldn't try?

Hounded by movies and movie ideas that come from back from the dead even when they don't want to, it's no wonder that Hollywood today is fixated on ghosts and forms of resurrection such as Spielberg's own *Always*, *Flatliners*, *Heart Condition*, and the smash-hit *Ghost*. Films about peo-

ple returning to life for a second try bubble up from the brains of people living in a world where movies themselves - some pretty moribund to begin with - keep returning to the screen for a second, third or fourth try.

Wherever one moves in Hollywood these days, the place seems heretofore self-referential. Sequels spawn like rabbits. Spoofs are made of movies that same citizens hardly remember (*Repossessed* lampooning 1973's *The Exorcist*). And remake projects, by contrast, barely sit out a decent period of mourning for their original before they exume it, dress it up and shake it back to life. George Romero's cult black-and-white horror film *Night Of The Living Dead* has

just been remade in colour a mere 20 years after the original. But there is some good news for those who believe that untamed sequels is a terminal disease. A startling thing happened in Hollywood last August. A screenwriter called Joe Eszterhas, whose previous hits included *Flashdance* and *Jagged Edge*, was paid \$3m for a new script by the production company Carolco. The sum was a record for an original screenplay and raised the screenwriter, almost at a stroke, from the bottom of the film industry's greasy pole to somewhere near the top. It shows that Hollywood, like the rest of us, is anxious for new ideas at the end of nearly two decades of sequel-making.

Eszterhas' script, a thriller called *Basic Instinct*, is not the only jackpot manuscript of 1990. Shane Black of *Lethal Weapon* won a princely \$1.75m for a new

screenplay called *The Last Boy Scout*. Before these seven-figure windfalls, a young unknown called Peter Filardi earned \$400,000 and an executive producer credit for his first movie script *Flatliners* and recently \$1m was rumored to have been paid not for a script, not even for a treatment, but just for an idea.

A shrewd industry watcher, recognising growing sequel fatigue even among hardened moguls, could have presaged this year's script boom some years ago. Back in 1988 I cornered some Hollywood screenwriters to ask them why they were all being promoted into successful directors. "It's supply and demand," said Barry Levinson, the man behind that \$170m hit *Rain Man*. "In the 70s and most of the 80s, the studios were paying big money to established directors who just weren't that good. At the same time there were a lot of hungry young writers pounding on the door saying, 'You like this script? Fine. Well, I'll direct it.' So the writer, the guy with new ideas who wasn't giving you *Jaws 8* or *Nightmare On Elm Street 32*, suddenly found he had a bargaining position."

That bargaining position has become gilded in 1990. New power and riches have come to the people with the new story notions. Some Tinseltown veterans rage at this. "In the old days," says author William Fadiman, once script supervisor to Howard Hughes and L. B. Mayer, "a \$1m-\$2m was the preserve of a great star such a sum would have been unheard of for the person who was regarded as just 7 per cent of a movie's cost." But Fadiman calms down enough to admit that today's higher rewards may produce more and better scripts.

These words are confirmed by Peter Filardi, who hauled in that cool \$400,000 for *Flatliners*. "Before I wrote *Flatliners*, I wasn't known in this town at all. The script was submitted to a studio by my agent, and by the end of the weekend ten

producers were offering to buy it. I think Hollywood today really is looking for fresh ideas. If you can get through the office door and pitch your story, and if it's really new, you have a chance."

It is heartening to see so much belated zeal for the writer after nearly 100 years in which he has been the industry's doorman. Hollywood today has even started holding blind-bid script auctions. A number of producers are given, say, 48 hours to read a hitherto top-secret script, after which they must start yelling their bids.

Are we on the brink of a new, fresh film age? Is the storehouse of movie myths about to be replenished? Are the days of the numbered spin-off numbered? Sequel junkies need not despair yet. As 1990 dissolves into 1991 we still await *Predator 2*, *Godfather III* and *Rocky V*, not to mention two non-digital sequels from Disney: *Three Men And A Little Lady* and *Good Morning, Vietnam*. (There are also dark rumours of a *Mary Poppins 2* from this studio.)

Speaking as a sequel-battered film critic, I doubt that such films are about to vanish from the earth. Nor perhaps should they: they have done the industry great service. In brute financial terms, the *Rockys* of this world have helped keep Hollywood off the rocks. In non-materialistic terms, they have shone a flashlight on a classic audience characteristic: the yen for continuity.

It is the same yen that fed storytelling in its oldest oral days, when "What next?" meant "Oh please carry on with the same tale, we haven't had enough." It is the same yen that makes children demand the same bedtime stories over and over again.

The only sin of sequels is their shamelessness. Making no cosmetic or genetic excuses for their continuity, no *Son Of Indiana Jones*, no *Bambi's Daughters*, they just slap a number on and serve up the same dish. But I am too far gone as a film-lover to hate them. And they, I suspect, are too far gone as a tradition ever quite to disappear.

## Workshop for warships

Gerald Cadogan visits an historic Kent dockyard

**H**OW TO KEEP a unique, successful and attractive new museum afloat is Lieutenant General Sir Stuart Pringle's daily challenge. The museum is the Historic Dockyard at Chatham in Kent, where Pringle is both chairman of the Dockyard Trust and its chief executive.

His museum is that rarity, a working museum on the spot where it all happened. For 400 years, from the Armada to nuclear submarines, the Navy made and mended ships at Chatham. Today visitors find it so engrossing that they stay on average 4½ hours.

The new attraction of 1990 is the Wooden Walls exhibition, which shows how a ship of the line was made. It is a multi-media Yorvik-type show with sounds, smells and full-size human figures and, as at York, it works. This is partly because the story is so complex that we could not master the details otherwise.

For example, what is oakum? Old hemp rope unpicked. And its use? To drive into the seams between the planks and caulk with pitch to keep the ship watertight. How did the guns come aboard? By swinging them in on tackle through the gun ports. And why was everything on the gun decks painted red? So as not to show the blood.

The other reason why this exhibition succeeds is that Martin Caroe, the architect, has kept the majesty of the timbers and planks of the 1763 building. In the mould left upstairs, a laser display re-enacts how shipwrights drew the ships' lines and cut the moulds (as full-size blueprints) on a floor 120ft square. Once a floor was used up, a new floor was laid on top. Somewhere beneath the present floor are the lines of Victory.

This factory for warships on the river Medway has something for everybody. The 378-yard long ropery still makes and sells ropes, while the sail and colour job sews and sells sails, flags and hammocks. In one dry dock, the Trust is restoring the only extant Victorian sloop, HMS Gannet. In the next, a commercial firm repairs bulk head vessels and in the shed beyond, Osprey



Money for old rope: visitors to the museum can buy from the 378-yard long working ropery, which dates from 1791

Hovercrafts makes small hovercraft (at around £28,000, ideal for rescuing yachtsmen stuck on mudflats).

But perhaps Chatham's biggest excitement is for the imagination. Look across its huge open spaces (the yard covers 60 acres) at the grand but functional Georgian and early Victorian buildings and you sense a vista of our country's history. The buildings, landmarks in themselves, fuse into the big events we learnt at school: Drake and the Armada; the Seven Years War; Trafalgar; and the Lords of the Admiralty being able to send a gunboat anywhere, anytime.

The design of the huge wooden roof of the first covered slip (1830), like an

110,000, and hopes for greater visitor income after raising the prices. (The basic ticket is £4.50, excellent value for more than four fascinating hours.) He pushes ancillary income as hard as any tough Thatcherite through food franchises; location use for films; a businessmen's lunch club in the crew's quarters in the 1703 Commissioner's House (our oldest surviving naval building); sales of rope, flags and sails; and by renting surplus space to 55 tenants, many of them marine businesses. The first of the 13 grand houses with high-walled gardens in the early-Georgian officers' terrace is now restored, and on the market (on a 125-year lease).

But visitors, sales and rents, and grants from English Heritage, the Manifold Trust and the Bernard Slonim Foundation, and the establishment of a Friends Organisation, are not enough to run the yard on. Nor was the foundation grant of £11.3m the government gave in 1984.

To be permanently self-supporting, and ready for the visitors the Eurotunnel will debouch in Kent in 1993, Pringle is asking the government for £24.2m. The first job is to finish restoring the buildings (£15m). Some £5m will go on ironclads which will develop the warships story from Wooden Walls to submarines - Chatham's first ironclad ship was HMS Achilles (1863). The rest will be capital to fund the operating deficit.

Will he get it? Whitehall is listening, but is bound to want other sponsors. Pringle, former Commandant General of the Royal Marines, presses on for victory in the battle to complete a unique museum where the gritty-gritty of British naval power politics comes alive. As befits the Navy, it is neat, tidy and not at all sentimental and a helpful, friendly staff ensure that Chatham is a happy ship.

■ The Historic Dockyard is now open Wednesdays and weekends, 10am-4.30pm; and from Good Friday (March 29, 1991) Wednesdays-Sundays and Bank Holidays 10am-4pm. Frequent trains (45-50 minutes) from Victoria and Charing Cross to Chatham; then taxi or bus. More information: 0634-312551.

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BOOKS

# Scrooge past and present

This was a sure-fire winner for Dickens, says Anthony Curtis

ON DECEMBER 27, 1843, and for two subsequent nights, a one-man show was staged in Birmingham Town Hall, its aim to raise funds for the Birmingham and Midland Institute. At the end of the performance, which took three hours (later cut to two), the performer, Charles Dickens, was given an ovation. His script had been *A Christmas Carol*. It was thus in Birmingham that Dickens's prowess as a reader of his own work burst upon the world. After several more charity performances in different locations, Dickens gave readings from his work all over Britain and America for his own financial benefit, drawing capacity audiences wherever he went.

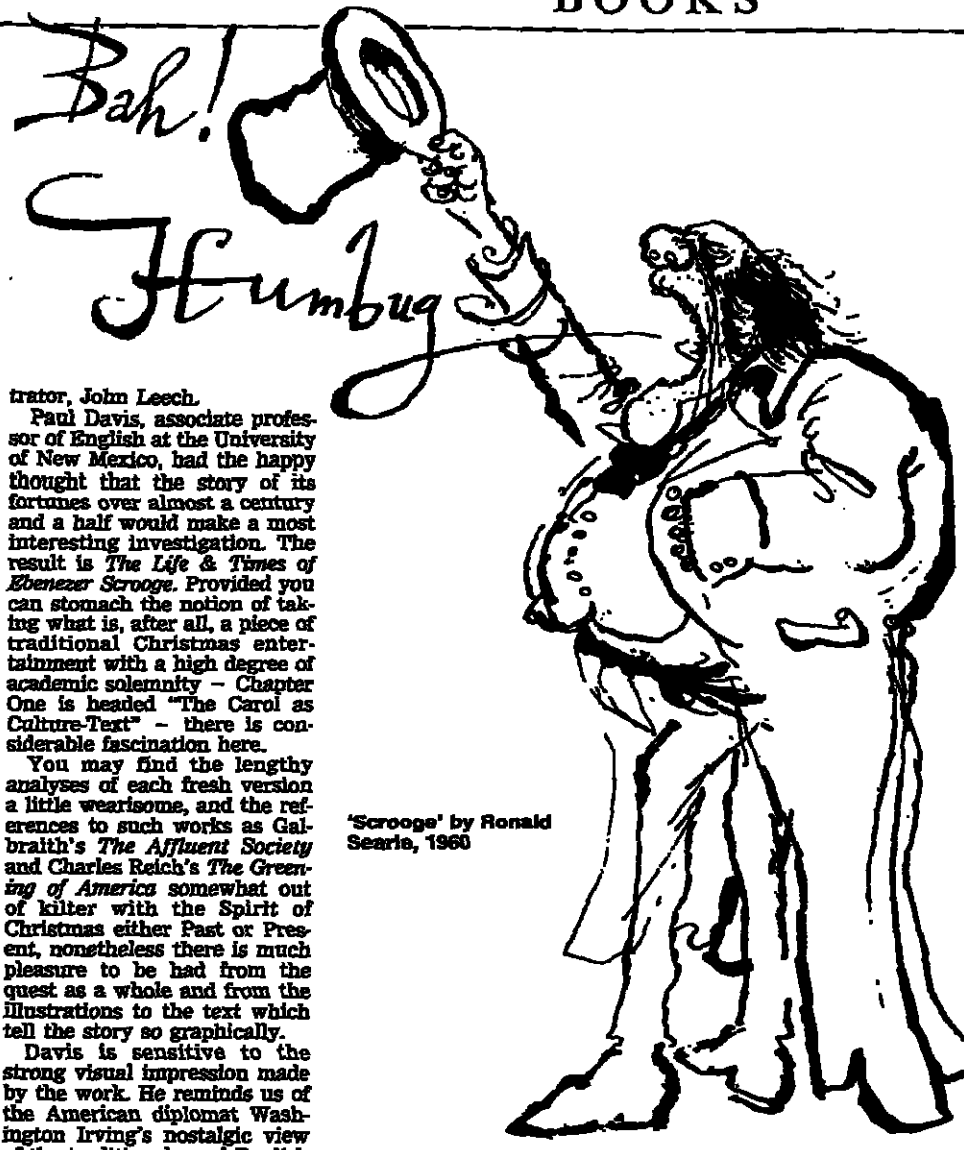
The *Carol* was always a sure-fire winner. "Never did we see or hear a man throw himself so entirely into the spirit of a book," wrote the reporter for the *Bristol Times* in 1853. Dickens identified himself totally with each character in turn, sustaining a huge range of vocal and facial expressions. After a while he knew the text almost by heart and would sometimes on the spur of the moment introduce fresh incidents and gestures.

Thanks to Charles Dickens: *The Public Readings*, edited by Philip Collins in 1975, not only do we have the text as performed by Dickens, but also the many stage directions which Dickens put in to aid his memory. This, acting-text, is notable for the number of passages in the published version, such as the didactic section on Ignorance and Want. The word "Scrooge" is doubly underlined and was given such tremendous emphasis that it seemed, as Dickens uttered it, to make the old man hiccup before the eyes of the audience. The exclamation "Oh!" which precedes "But he was a tight-fisted hand at the grindstone..." was drawn out for three or four seconds. Marley's

THE LIFE AND TIMES OF EBENEZER SCROOGE  
by Paul Davis  
Yale £15.95, 283 pages

December, but unlike the others it acquired legendary status as soon as it appeared. There were several stage versions in Dickens's lifetime. Later two outstanding British actors, Bransford Brame and Seymour Hicks, took it over and gave it at length on the legitimate stage and also, ruthlessly cut down, in the music hall.

It has been equally popular in America in spite of its appearance just after *Mardi* and *Chuzzlewit*, which contained Dickens's savage satire on the American way of life. Lionel Barrymore used to give an annual radio performance of it over Christmas to an audience of millions. The basic plot has been reworked in many later novels and stories; there have been innumerable adaptations for film and television. These later versions have done nothing to obscure the original Dickens story. On the contrary, it has been re-printed more than any other of his works, usually with new illustrations. Many of the real names in book-illustration have had a go at it, but none of them has done better than its first illus-



'Scrooge' by Ronald Searle, 1960

trator, John Leech. Paul Davis, associate professor of English at the University of New Mexico, had the happy thought that the story of its fortunes over almost a century and a half would make a most interesting investigation. The result is *The Life & Times of Ebenezer Scrooge*. Provided you can stomach the notion of taking what is, after all, a piece of traditional Christmas entertainment with a high degree of academic solemnity - Chapter One is headed "The Carol as Culture-Text" - there is considerable fascination here.

You may find the lengthy analyses of each fresh version a little wearisome, and the references to such works as Galbraith's *The Affluent Society* and Charles Reich's *The Greening of America* somewhat out of kilter with the Spirit of Christmas either Past or Present, nonetheless there is much pleasure to be had from the quest as a whole and from the illustrations to the text which tell the story so graphically.

Davis is sensitive to the strong visual impression made by the work. He reminds us of the American diplomat Washington Irving's nostalgic view of the traditional rural English Christmas - described in his *Sketch Book* (1819) and later published separately, illustrated by Caldecott - with the blazing yule logs, the wassail bowl, the mummers, the peasants, yeomen and gentry celebrating harmoniously together on the bounty of the lord of the manor. Dickens's strategy was to relativise the togetherness of this rural festivity in the setting of commercialised Victorian London. This contrast between the rural and the metropolitan is depicted in Scrooge's return under the aegis of the Spirit of Christmas Past, to his own deprived, country childhood and it continues into the Present with the roast goose Christmas dinner at Bob Cratchit's, the centerpiece of every version.

Within the brief compass of the *Carol* are found several more polarities basic to our society - employer and employee, charity and contract, the able-bodied and the disabled, and the many polarities that may subsist within large families. Davis shows how, as the tale has been re-interpreted at different periods, one or other of these has been given peculiar prominence. Thus as Victorian society became more secular and agnostic towards the end of the century, the miraculous element tended to be played down and the "social gospel" aspect to be played up.

Wherever you place the emphasis, however, *The Carol*

will always be essentially the story of a conversion. The Scrooge of *Stave One* represents not so much a miser as an arrogant workaholic and monetarist who believes in individual effort as the only form of salvation. He is succeeded by a reconstructed Scrooge who has been made aware of the human implications of his harsh doctrine in the lower reaches of society, and who returns to his office a wiser, humbler and more compassionate man. Hopefully, the conversion of Scrooge is one of the necessary, sustaining myths of entrepreneurial society, originally formulated by its greatest writer of fiction.

# From Galilee to El Salvador

Robin Lane Fox on the changing face of Christianity

THIS CHRISTMAS, there are believed to be about 1,600m Christians in the world. The churches are expecting strong numerical growth during the 1990s: analysts have already pencilled in 2,020m for the year 2000. It looks to be a great growth story, but there may be problems in treating it as a unity: in places, it looks ripe for de-mingering.

There is also scope for wondering if proper accounting procedures have been followed. The official expectation is that 32 per cent of the world's population will be Christian by the end of this decade. In 1980, about 50 per cent of them were classified as "committed and active" by the most up-to-date survey. I cannot help thinking that the commitment is being exaggerated. Many people, I suspect, conform to a fine phrase given us by the editor of this new history: they "discover their Christian vocation in times of crisis."

look on Rome and St Peter's when their own regions and races prevail in the total Christian membership? Rome was not a site or destination of Jesus' own mission, any more than Sao Paulo or Lusaka. Anyone who wonders about these questions needs to read and enjoy this new history. It is not to be confused with the dictionaries and pot-hatched histories with which the Oxford Press has propped up its general list since 1980. It is not an intellectual lightweight. It draws on eighteen experts, among whom are some of the big names of Christian scholarship in the English world. It covers the entire story from the time of John Paul and Galilee to El Salvador. The period from 700 to 1400 is covered with particular elegance and sympathy, and the further the book goes from the Mediterranean, the more unusual it seems.

THE OXFORD HISTORY OF CHRISTIANITY  
edited by John McManners  
Oxford £25, 724 pages

seems. I was particularly struck by the history of Christian practice and ideas in Latin America by Professor Pike: modern themes, like "liberation theology," no longer stood in a vacuum.

Both the Chadwick are in authoritative form. Henry on the early Church, Owen on Europe since 1800. If there is a weak link, it is perhaps Africa, where there is such diversity and such a problem about early African sources. The living heart of the book is its global, historical sweep. Three later chapters on Christians' beliefs, consciences and sociology fall flat beside it, although the pictures are still there to help us along, nearly 400 in all. The Christian era is believed to have grown faster than anywhere else during the past ten years. Their progress is only moderately good news for the Church's hierarchy. Most of its new members have been found among groups of rural peasants. They gather in their own little house-churches, like the earliest Christians themselves. Each group may number less than twenty people and authority is very fragmented. If anyone wishes it, it is the local leader, the pastor, even among nominal Catholics, is as likely to be a woman as a man.

fascinating titles for further reading and so wide in coverage and penetration. So many worlds are here, from the forgotten bishops in Europe's dark ages to the Jesuit missionaries of the Far East and the fascinating links between trade and evangelism. In Canada the French missionaries worked in the setting of a colonial presence, which this volume's editor characterises as a "vast fur-trapping organisation." Brandy for furs: it was in the interests of the French colony to corrupt the Indians.

I have one caution and a general impression with which this book leaves me. In the main periods, all the contributors, I think, are committed Christians, and at times they resort to uplifted, inclusive optimism and an undefined assumption that Christianity is true and glorious. Women tend to be patted on their Christian backs in almost every chapter, in the early Church, in Latin America, and in Africa: the churches appear to have just the right place for everyone. Here and there we need less irony and paradox and more detachment which is not so concerned to give back more with one hand than it has suspended briefly with the other.

I leave this fine book with a feeling that Christian history has been a kind of repeating itself across the centuries because so much of it is a renewal from abiding patterns, enshrined in its texts. In Latin America, a "church of the poor" now confronts the society of the very rich: it was not so different in early Rome, Palestine or bits of the early Christian East. Christianisation is also a continuing question. In the later parts of the New Testament, Christianity is already beginning to adapt to Greek thought, not merely to Greek language: I doubt if Jesus himself spoke Greek of any such capacity. Now, Christianity in China, Japan and especially Africa must adapt once again to local cultures without extending into every aspect of a person's social, ethical and intellectual life.

Christianisation can thus mean many different things, in ways which would surely surprise a global traveller this Christmas. This fact is not necessarily a promising one for Church organisation. Christian numbers may well continue to grow, but in Africa, Latin America and China they are not being won over to the fixed authority and leaders of a central Church, a Christmas in the 21st century will be even more diverse than the one which is now before us.

Will Chinese women soon be speaking for a big Christian presence at world synods? How will Brazilians or Ugandans

# Loved and left by the literati

Jackie Wullschlager considers the reputation of a 'fashionable and faintly vicious bluestocking'

VIOLET HUNT wrote romantic potboilers and in many ways her life resembled one. She was Ruskin's fiancée and Somerset Maugham's lover; she flirted with H G Wells and confided in Henry James; Oscar Wilde almost proposed to her and Ford Madox Ford almost married her. She hoped for literary fame and marriage; she got only notoriety as a fictional wife, the model for Sylvia Tietjens in Ford's *Parade's End*.

The core of her life, as she wrote in her memoirs, *The Flaming Years*, was the time she spent with Ford between 1909 and 1914. Here, Joan Hardwick has put together the story of what happened before and after. The book is a mixture of interest remains her influence on the pre-war literary whirlpool that included Ford, Ezra Pound and D H Lawrence.

Was she a ripple or a big splash? Ms Hardwick makes a case for the latter. *The Flaming Years* is a biography of a woman, not a study of her influence on the literary world. It is a story of a woman who was loved and left by the literati.

intrigue historians of the Woman Question, but in the great tide of modernism they are insignificant.

Chronicling their creation and publication along with the works of Joyce, Ford and Lawrence leaves Ms Hardwick with the hopeless choice of either making her subject a marginal figure in her own biography, or

AN IMMODEST VIOLET: THE LIFE OF VIOLET HUNT  
by Joan Hardwick  
Andre Deutsch £14.99, 205 pages

discussing literary history from a cradly oblique perspective.

Overlaid with woefully inadequate criticism, gossip brings relief. Violet was famous for her viperish tongue; Ms Hardwick is milder. Here are Pound and Ford playing tennis with Lawrence as ball-boy; Ruskin ("Violet's must be a woman," he promised Violet by her Pre-Raphaelite family in compensation for the fiasco with Rose la Touche; Violet the "fashionable and

faintly vicious bluestocking" seducing a schoolboy, visiting him at Eton and writing the whole thing up as a novel, *White Rose of Wexley Leaf*.

By the time she met Ford (then Huxley) in 1908, Violet was 48 and had been many times loved and left (and badly). He abandoned a waning marriage to live with her; she wanted passionately to be the second Mrs Huxley. Typically of Ford, an "unreliable" French marriage followed an unreliable German divorce. Neither were valid in England and, when Violet signed herself Mrs Huxley, the first Mrs Huxley brought a lawsuit and won. They were still fighting it out in the 1920s when there was living in Paris with someone else.

Violet clung to Ford - "poor fish, the hooks are through his gills," wrote Lawrence - but it was only a matter of time before she would leave him. The best revenge is to live well. Violet lived spectacularly badly. Ford fixed her type of frantic obsession in his portrait of the difficult and



Violet Hunt: her life resembled a romantic potboiler unhappy Sylvia Tietjens in *The Parade's End* - and her pleasant explanations make one finally as irritated with Violet Hunt, and not does this biography. Unlike Ford's, Ms Hardwick's portrait is desperately generous. But her simple analysis betrays no glimpse of having understood either the woman or her background -

# Fiction

## In 'The Magus' tradition

JAKE EBERTS, the man behind Goldcrest Films, once said that he would never touch a project that couldn't be summarised in a single sentence. If you can say what a film was about, he reasoned, then you couldn't expect the audience to know either. It was advice that Goldcrest would have done well to heed, after his departure.

So too with books, particularly those that dwell in the occult and leap centuries at the drop of a hat. *The Salamander Tree*, by Robert Lipscombe, is a very impressive first novel, one of the best of the year, but it is extremely difficult to summarise in a single sentence, or even half a dozen. The most one can do is say that it follows in the tradition of *The Magus*, and leave readers to draw their own conclusions.

The Salamander of the title is a British spy who parachutes into Germany in 1944, where he stumbles across details of a secret Nazi experiment codenamed Disko 88. He also sleeps with a German girl, who may or may not be the mother of Robert Clare, a young man adopted after the war and brought up in England. Clare is a freelance writer, mysteriously hired one day by "Interested Parties" to write the biography of an unidentified man known only as The Subject. His researches take him to Paris, where he investigates a 19th-century alchemist's painting and dis-

covers magical properties in it similar to Disko 88.

And so on. To say any more would only confuse the issue. All you really need to know about this book is that it is a very cerebral work, the product of a highly original and well-stocked mind. If you are into poetry, metaphysics, Kabalistic intrigue, you will find it thoroughly absorbing. If not, you should leave it well alone and turn perhaps to *The Best There Ever Was*, a second novel from John Ed Bradley, whose first, *Tupelo Nights*, had a good reception on both sides of the Atlantic.

Bradley is a Pulitzer-nominated sports writer, and his subject here is American football, as played on a hick university campus in the deep south. The spongy hero is Harold Gravelly, coach to the first team, a legendary figure in football circles, so legendary that there is a plan to put up a life-size statue of him in his home town.

Harold is famous because his team won the national championship 30 years ago, after a rabble-rousing speech in which he exhorted them to go out and fight with their rear ends so extended that it would take a pair of tenpenny nails to keep

needs to come up with something more refined, but can't because obscenity is in his nature.

To add to his troubles, Harold is dying of cancer, place of news which he cannily reveals on prime time TV, knowing that the college authorities will have no option but to keep him on for one last, desperate season. He intends to go out in a blaze of glory and does so, although not in the way he intended. There is comedy in his end, and tragedy too. He is a totally believable creation, a gun-chewing, beer-swilling redneck of the kind one hopes never to meet in the flesh, yet agreeable enough when encountered on the printed page.

Earl Peckham, hero of Peckham's *Marbles*, is a very different kind of American, a sophisticated Easterner who teaches creative writing in a small college and writes novels of his own in his spare time. His latest one has sold just three copies - assuming no returns - which only goes to show how little serious writers are appreciated in America.

In order to prevent the copies being sent back, which would make a considerable dent in the sales figures, Peck-

ham tracks the books down to shops in Omaha and Iowa and defaces them with his autograph. While doing so he meets Poppy McCand, his publisher's star author, a trashy novelist whose books sell in millions. They go to bed together, she falls under his spell, Earl takes her in hand and shows her how to write properly. Poppy learns the lesson well, with disastrous consequences for her sales figures. The better she writes, the less her public wants to know, which is a good joke when you think about it, but not one that many novelists will appreciate.

Boone, a first novel by two young Harvard graduates, purports to be an oral biography of a seminal 1980s figure, a comedian and film maker whose influence on American culture was considerable in his own time and has achieved cult status since his early death. The story is narrated by several different people, as though interviewed for a documentary, and traces Boone's career from beginnings in California, via the English stage, to success as painter, playwright and novelist before his death at 27 in a motorcycle accident. It's a nice idea, still fully executed, but the overall effect is more documentary than novel, partly because the different voices all have a worrying tendency to sound the same.

THE SALAMANDER TREE  
by Robert Lipscombe  
Hamish Hamilton £13.99, 376 pages

THE BEST THERE EVER WAS  
by John Ed Bradley  
Bloomsbury £13.99, 336 pages

PECKHAM'S MARBLES  
by Peter de Vries  
Hale £13.95, 233 pages

BOONE  
by Brooks Hansen and Nick Davis  
Hamish Hamilton £13.99, 394 pages

# Film books

## All Psyched up...

ANNIVERSARIES in the arts are like ritual tripwires. Civilisation is galloping along quite nicely when suddenly it feels something sharp and thin brushing its shin. It thinks "Uh-oh, another birthday celebration of something famous. What is it this time?"

This time it is *Psycho*. Thirty years ago Hitchcock made a horror film that changed the face of horror. In the long term it prompted an epidemic of "slasher" movies (the *Halloween*s and *Friday the Thirteenth*s). In the short term it tolled the death knell of that sweet, innocent decade called the 1950s, when family values were enshrined in glorious Technicolor and Doris Day comedies.

Not that tolling bells are quite the *bruit juste*. Screams and screeching violins rather. Why did Hitchcock, fresh from his all-colour suspense romp *North by Northwest*, set out to make a low-budget black-and-white shocker in which the heroine (Janet Leigh) is stabbed to death just when we have got to know her, whereupon the villain (Anthony Perkins), a transvestite psychopath, becomes our chief identification figure?

Stephen Rebello's book begins by throwing Ed Gein at us: the Midwestern mass-murderer who became a favourite late-1950s demon figure and may have inspired Robert Bloch's original novel. He then argues that a 60-year-old Hitchcock string of ageing stars (James Stewart, Cary Grant) and ageing genre (the picaresque chase thriller) decided to pre-empt the youthful revolution that might already have been stirring. He pre-empted it so successfully that it was ten years before films caught up with *Psycho* in terms of visceralism. In terms of artistic value, they never caught up with it at all.

Financed by himself and filmed with a largely TV crew, *Psycho* became a guerrilla production which still has ex-com-

tributors arguing about who contributed what. Rebello's book includes screenwriter Joseph Stefano, who claims authorship of some of the film's visual masterstrokes, and graphics designer Saul Bass, who maintains that he storyboarded and shot the famous shower sequence. What can Sir Alfred say to deny it? Unlike Norman Bates's mother, he is not available for comment. A controversial read.

ALFRED HITCHCOCK AND THE MAKING OF PSYCHO  
by Stephen Rebello  
Marian Boyer, £14.95, 211 pages

SCHRAEDER ON SCHRAEDER  
edited by Kevin Jackson  
Faber £12.99, 227 pages

FADE OUT  
by Peter Burt  
Simon and Schuster, £15.95, 292 pages

HYPE AND GLORY  
by William Goldman  
Macdonald, £12.95 306 pages

intriguing though it is, the tale grows a depressing read. A more aerobic touch, or even a more apocalyptic one à la Edward Gibbon, might have transformed the book from an extended balance-sheet into a more resonant ballad about filmic man's follies.

William Goldman's prose sings and stazes even when, as in *Hype and Glory*, he has nothing to say about it. The famed screenwriter who penned *Butch Cassidy and The Sundance Kid* (and who never lets us forget it), here yokes together two satiric broadsides about the Cannes Film Festival and the Miss America contest, in both of these he was juridically involved in 1988.

Apart from blazing pleasantly away at the promotional mania of the film industry, he is prone to it, he is to see what the point of it all is. Norman Mailer or Gore Vidal might have built some beaming comical-philosophical card-house out of the disparate elements here featured. But Goldman is neither and the book collapses each time more than two of three caustic sarcasms are piled atop each other.

Nigel Andrews

Nicholas Best



# End of the year blues

For the salerooms the collapse of the Impressionist, Modern and contemporary art market has caused most of the problems. For Christie's, sales in this area were £120m as against £374m in the autumn of

**genuine collectors might discover that they can afford to buy again, and the art market, after two years of aberration, will return to its traditional connoisseurship and stability.**

***Antony Thorncroft***

A black and white woodblock print illustration of a woman in traditional Japanese court attire. She is shown from the chest up, facing slightly to the left. She wears a large, ornate headpiece with circular motifs and a wide band. Her hair is dark and styled. She has a pale face with dark, arched eyebrows, a small nose, and dark lips. She is wearing a kimono with a dark, patterned collar and a lighter, patterned body. The background is dark and textured.

been seriously collected in their home land. The 200 prints in this auction come from the celebrated collection of Walter Amstutz, a leading Swiss publisher and pioneer skier. He built up one of the finest groups of Japanese


The Japanese are still coy about bidding in public in Tokyo and Sotheby's is holding the auction in conjunction with Seibu, the department store which is also one of the main art dealers in Japan.

## Theatrically unleavened fare


A roost of slob and divvies (a feminine noun that has not yet made it to the Oxford Dictionary) is ruled by the venerable Nellie Boswell, matriarch, who is given a spirited performance by Jean Boht. This actress, at least, manages to control the structure of the film from naturalism to interscene asides to the audience, which represents the dramatic structure of the piece. Most of the others — and Robin Nash's production has not stinted on the casting budget — would have been better off finding themselves a panty for the season.

**Claire Armitstead**

# Scratch 'n' sniff time



in Prokofiev's 'The Love for Three Oranges' at the Metropolitan Opera House. The show might make a



Alastair Blair  
in 'Three Oranges' at the Coliseum

...good seasonal outing for the children. And then again, it might not. Most youngsters like a joke that comes at them good and honest, without pretence, rather than the abstruse and decidedly arty sense of humour in which Prokofiev, ever the modern artist, liked to indulge. The piece is really a pantomime for adults and those with a nose for a stylish opera production will want to sniff it out most eagerly.

**Richard Fairman**

**N**O DOUBT about it, British middle-class sentiment is a useful commodity for the drama, even when it doesn't lead to a car-chase or a knife in the ribs. We had two classic examples last Sunday, Terence Rattigan's *The Browning Version* on Radio 4 and Michael Frayn's *Benefactors* on Radio 3.

**beginnings on Broadway.** When *Who's Your Favorite Person?* opened in 1976, three Broadway critics, after writing it, concurred to the director that "some of the language, particularly in the love-interest scenes, was old-fashioned," and "it is as if you said, 'you and I' was not real lovers' even back in 1947. Four out of the eight characters are rather dull people, and Rattigan has conceded that he has given them dull dialogue in the past." The only thing that most critics took to was the too much interest is taken away from the schoolmaster Crocker-Harris, his pupil Taplow, his wife Millie and her lover, the assistant master Frank Hunter.

Yet those characters who are not dull are intrinsically interesting, are so masterfully

handed that they bring a truly affecting double climax. It was not enough to have the dried-out Crocker-Harris weep at an unexpected act of kindness, Taplow's gift of the Browning version of the *Agamemnon* of Aeschylus; Rattigan then takes on to it a second climax, when Millie taunts her husband with the fibe that Taplow had only done it to get her to marry him again. Under Marian Cotterell's direction there were excellent performances by Barbara Jefford as Millie and Nigel Stock as Crocker-Harris, the actor who played him in the 1976 production.

There is nothing at all mid-fashioned in the dialogue of *Beforeactors*, which concerns the planning of an architectural scheme by a man who is planning a tedious suburban district. The plans are not the plot, though. That is a simple

romantic foursome, but re-  
planned as freshly as David's  
newly discovered love. In  
David's conventional home,  
with his intelligent wife Jane  
and some children we never  
hear, is constantly invaded by  
a neighbour, who works on a  
encyclopaedia. She is a nu-  
merically but is entertained sym-  
pathetically, even found some-  
times a material work to be  
her life with Collin is shaky. He  
accuses her of being in love  
with David, and leaves her to  
go and live in a squat where  
they are organising a protest  
against David's plans (the  
tall, fine-towers). At the same  
time, Jane, her home-life disor-  
dered by Sheila, goes to work  
for a housing trust whose  
project is the rehabilitation of  
an area on which her husband  
is working.

It is fascinating to see how many behind the progress of the play with the success of the two couples' relations. Ultimately Colin stands as an Independent at an election, and gets 173 votes and a divorce; while the redevelopment is cancelled, and resolved into one tower, half as high - which is awarded a prize. Michael Kitchen plays David, and John Moffatt, Sir Herbert Walter, sounding more menacing and timid than I ever heard her on stage, was Sheila and Clive Francis Colin. Matthew Walters directed.

And while we are English home-grown writing, it was pleasant to hear John Moffatt, Sir that is, that one evening reading a story by Sir Victor Crichton to celebrate his 90th birthday. Sir Victor chose the story himself. *The Oedipus*

## Sentiment for drama

## 'Attila' shrivels criticism

*Opera North has confirmed this opera's quality, says Max Loppert.*

All the same, Mr Daniel does not yet show that total command of the opera's long movements which can make sweeping wholes out of discrete parts, and which leads and supports his singers with effortless authority. He understands the idiom (his building of the *concertato* finales of Acts 1 and 2 was impressively steady), but has still to learn to speak it with absolute fluency. That will come; the foundation of the reading is already honestly secured.

The leading quartet (three parts British, one part American) need likewise to learn

The evening is dominated by John Tomlinson in the title role — genuinely grand, swaggering, and stage-filling in figure (long ponytail, bare chest, spangled crotch) and voice (even if too often thunderous and monochromatic) — and by Karen Huffstodt (British debut) as Odabella. She's not, on this evidence, a heaven-sent early-Verdi soprano, being taxed at both ends of the role's formidable compass, yet she brings a welcome bright glitter and precision of attack to the

All the singers — choros and the excellent *comparsa* of Christopher Ventris (Pope Leo) and David Gwynne (Ubaldo) as principals — are kept physically stretched by Ian Judge's fast-moving show. Its virtues are boldly handsome design (sets John Gunter, costumes Deirdre Clancy), speedy unfolding, crisply defined stage tableaux, and a generalised vitality that seems at first glance to marry ideally well with the qualities of the music.

The defects are Bright Ideas (Attila) and his barbarians as exotically got-up leather-bikers roaring and punching the air at the least provocation, a time-travelling mixture of costume styles for the others) not distilled from the conceptual essence of the production but decked upon it as mere decoration. Judges always puts on a good show, and this *Attila* is no exception; it does, however, give off a whiff of camp that proves increasingly at odds with both the music and its Opera North realisation.



The evening is dominated by John Tomlinson's grand swagging Attila (right) and Karen Huffstodt's Odabella

## Well acquainted with Macheath

I'm glad, of course, to have this chance of making the better acquaintance of Macheath and Polly and Lucy. Gay's fount of humour still bubbles up fresh. "Away, hussy, and hang your husband," cries Mrs Peachum to her daughter, and that crypto-communist Matt of the Miriamite has a high-sounding wayman's life. "We relegate the superfluities of mankind." *The Beggar's Opera* is a keenly comic picture of the seamy side of early 18th-century London. Like Daniel Defoe's novel *Moll Flanders*, which preceded it, and Hogarth's series *The Har-*

*The Beggar's Opera*, however, has music too, and Herov & Co. seem unsure how to handle this factor. Particularly in the long first scene, the singing down the pipes like a millstone around the neck (Boden) stings painfully out of tune, her father (Russell Dixon) shouts, and everything slows down tediously to allow for music. In this performance, we would have done better.

Better singing occurs later on from other members of the cast. This is not, however, a *Beggar's Opera* for music-loving opera fans. The most singing comes from Lucy (Suzanne Morris, who has considerable experience in classical music), but her heavy aspirates — many a ha-ha and ho-ho — make her singing sound like a well-known ballad tunes have been arranged by Stephen Warbeck, accompanied onstage by two guitars, a violin and a saxophone.

Marchetti is David Schofield,

duction. Lots of colour and vivacity. Not enough characterful detail. A few accents wander too far around the British Isles in search of home. Though it is good to see Stella McCusker as both Mrs Peachum and Diana Trapes and John Bardon as Mr Lockit, most characterisations are jolly but generalised.

Nothing embarrasses save some of the singing, all of

which is amplified to varying degrees. One moment they're talking naturally, the next they're singing in an echo-chamber. Maybe such devices are necessary to make voices carry over instruments in a theatre in the round like this. And maybe, in that case, theatres in the round just shouldn't do this kind of musical.

**Alastair Macaulay**

## The Official London Theatre Guide

[illegible]

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## Private View

## Uncorking authors

Christian Tyler talks to Jock Murray, one of the last publishers of the old school, about the owls and the larks, about Byron, Conan Doyle and Shaw

IT'S THERE some secret affinity between the profession of publisher and the profession of butler?

The first time I saw Jock Murray, the sixth John Murray of that ilk, he was butting away at a book launch in the drawing room of the famous family publishing house in Albemarle Street, Mayfair. Only his bow tie (he has 39, of them, two more than he has years) and a certain mischief in his eye gave him away. The next time I met him, he told me that his childhood hero was a butler called Barnes.

"I so admired the way he coped with the Thursday lunch parties for authors, who would ring up to ask if there was a spare place. Barnes kept a blacklist in his wasp-coloured waistcoat. I used to wonder what it was that made some unwelcome - he would sometimes say there was no place. Occasionally, I found out."

"I admired the laying of the table, the serving, the cleaning of silver, the opening of bottles and I struck a bargain that if he would teach me the mysteries of all these things I could let him play with the trains in my nursery. I thought, the bargain was in my favour. And how right I was."

In another mouth, those words might sound like an upper-class affectation. But there is a solicitude, almost Jeevesian attentiveness about Jock Murray - when pouring a glass of Your Honour's I, or another cream cheese and honey sandwich, or helping you on with your overcoat - that suggests humility born of real enthusiasm for other people.

And that, I suppose, is what the art of publishing is about. Modesty may have stifled Murray's own ambition to write and confined him to the vicarious pleasures of editing others' work, but he is not so disingenuous as to hide this virtue in himself.

He quoted from a letter in the family archive which described him as "the only publisher in whose company a failed author could sit at ease."

"I think that's the most wonderful recommendation," he said. "I'd like that in my obituary." Sixty years of getting the best out of others, and a memory that stretches back more than 200 years to the founding of the firm in 1798, have given Jock Murray a sympathy for the foibles of authors that must be unrivalled in British publishing.

"Whenever I read a book I wonder if the author is a lark or an owl," he said. "I wonder how they bear the weight of words and ideas whirling in their heads, while appearing normal. Publishers instinctively look behind the creative words to identify the human being."

"Who, for instance, could be reading Jean Rhys's novels have seen the character behind them? Or indeed Eric Galt's domestic life from

studying his typesetters." He laughed wickedly, cocking an eye to see if the allusion had struck home. Hopping about the room, he produced manuscripts of some of the authors closest to his heart in order to illustrate his point: Byron's *Don Juan*, as effortlessly curative as a Mozart score; John Betjeman's *Summertime*, by Beil, revealing idiosyncratic attempts at ordinary punctuation; or Patrick Leigh-Fermor's *Between the Woods and the Water*, a jumbo-sized pad containing the second part of the trilogy which has been struggling from the author's perfectionist pen at the rate of one chapter a year.

Murray fussed over further evidence in his little black commonplace book ("a thing that everyone should keep"), noting how Alexandre Dumas could only write love scenes with his bedsocks on, how Dr. Johnson kept orange peel in his pocket, or how Melvyn Bragg could only start a new novel on a Monday.

If Barnes the butler taught Murray the secret of dealing with other people, it was Sir Arthur Conan Doyle who inspired his fascination with authors.

"During one of my holidays from school, when my grandfather was ill, Conan Doyle called in with new stories which we published as *The Casebook of Sherlock Holmes* in 1927. He treated me with such kindness, and I was so much grown-up, asking me to let him know if anything more was needed, that I fell under his spell. If this is an author, I said to myself, what fun to be a publisher!"

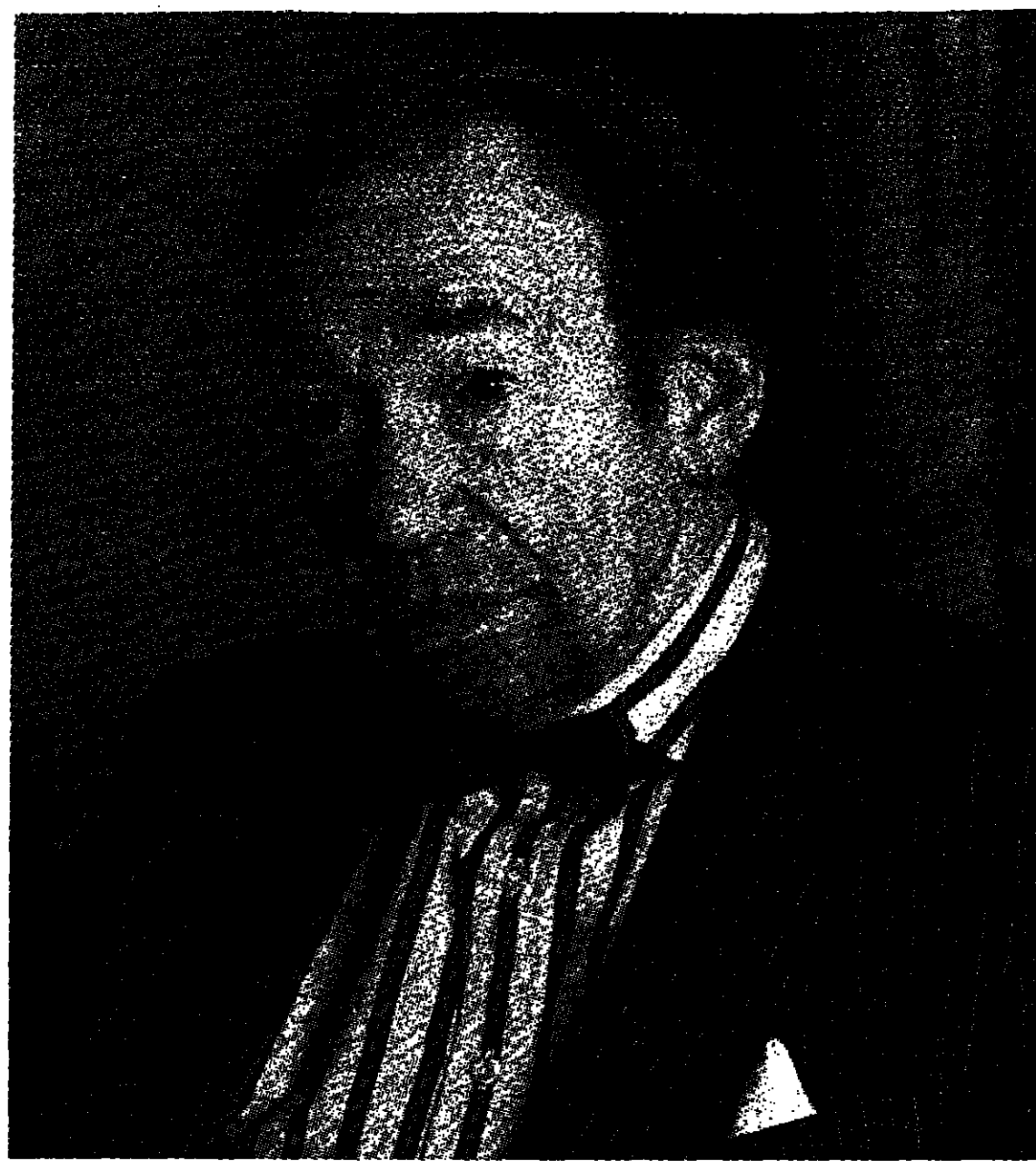
Taken on as "slave and bottlewasher," he trained as a printer during the holidays with John Gibbings of the Golden Cockerel Press in Berkshire.

"I can thus claim to be the only publisher, indeed the only printer, to have typeset in the nude" (Murray cannot contain it now)

**'I can thus claim to be the only publisher, indeed the only printer, to have typeset in the nude'**

Which I thought was unfair. Because when he had nothing on he appeared to be wearing a fur coat. A triumphant snort rounds off the story.

Jock Murray steps in and out of the past as easily as you or I will walk from room to room. The house in Albemarle Street, looking today much as it did when John Murray II bought it in the early 1800s, is suffused with ghosts - in particular, of course, the ghost of Byron, whose collected letters and



Trevor Humphries

Journals Murray edited with Leslie A. Marchand and whose tendency to interrupt the conversation he has consciously to resist.

"Deceased authors can keep publishers on their toes even more than living ones - in our case particularly poets beginning with B." (Byron, Browning and Betjeman.)

He said Byron's request from Italy for Edinburgh powders had an echo when Freya Stark wanted nail polish and medicines from South Arabia. John Murray III's farsighted purchase of the remaindered copies of Darwin's *Voyage of the Beagle* which led to the *Origin of Species* was echoed later on in the reprint of Kenneth Clark's *Gothic Revival*.

There was Iris Origo, who wrote about typed copies of her own illegible letters; and Axel Munthe, author of the best-selling *The Story of San Michele*, "who taught us to be patient, since he wrote one book every ten years"; and Osbert Lancaster "whose typing went on long after the paper had passed the point of impact."

He recalled, too, being sent by George Bernard Shaw to discuss the editing of some letters Shaw had sent the abess of a convent.

"I was terrified. The lay sister asked me to wait. When she led me through she turned sinisterly and said: 'Oh, Mr. Murray, you are accustomed to talking through a double grille, aren't you?' And I

thought, 'I'm not a double grille, I'm a single grille.'"

What has money done to publishing and writing?

"I think money has destroyed quite a number of authors, because it has all seemed so easy and because they haven't had the stamina." Today's promotional tournaments could be terrible, he added, because it was so hard on the authors not promoted.

Big-money publishing was a problem for the established companies, too, which had to watch while authors new and old, were seduced with advance royalties that had no chance of being recouped.

"Once, you could publish three or four losers before one gain. Now you have to be very devoted to stand that."

"Publishing has burdens. But when a publisher admits and believes in an author, the burdens, in the words of Jeremy Taylor speaking of matrimony, are delightful." Do you remember his sermon? Or, in that hymn the words of George Herbert: the drudgery is divine.

I pressed Jock Murray to say how he would wish to be remembered. He thought for a while and replied: "That during my life I was able to stimulate authors to create of their best. And, proud of that as I was, I could still feel modest and genuinely be so... and that having given up thought of being a great author, I was the next best thing."

Murray regrets what he calls the loss of contact and continuity between publisher and author. Without that, he said, "Well, we should just be sausage-machines."

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# Hubble bubble I see trouble

Michael Thompson-Noel

YOU may not believe this, but for reasons mysterious I enjoy one of the highest security ratings used by the White House. I used to be on Level Eight, which meant that I was told about small wars and famines. Then it went to Nine - large wars and banking crashes, plus religious speculation. And then it went to Ten.

The things we get to hear about on Level Ten are secrets so stupendous that they can only be vouchsafed to an audience of seven: President George Bush, the chairman of the US Joint Chiefs of Staff, the top man at Nasa, ditto Nato, the head of the World Bank, Chancellor Helmut Kohl - and me.

I am the odd one out, but try telling that to the intelligence major from the US embassy in London who delivers these secrets to me in a large green envelope. "Good evening, Colonel Mike," he says. "Please sign here"

he hands me a clipboard "and sign again here" he flips the page over. He says: "Thankyou very much, sir," salutes respectfully, and silently disappears.

The White House is obviously confusing me with someone else. I can guess how it happened, but seem powerless to rectify it. The confusion has arisen, I strongly suspect, because in June 1977, Governor Julian M. Carroll commissioned me a Kentucky Colonel. I can prove it: I have a seal and letters patent. I shook hands with the governor in his office. I expect we drank a juke. Then he handed me a signed certificate. It stated: "hereby confer this honor with all the rights, privileges and responsibilities thereunto appertaining."

I thought no more about it - until the envelopes began arriving and I started my ascent towards Security Level Ten. I am crushed by the responsibility of it all - against the way I find myself made privy to the world's biggest secrets.

It happened this week. There was a knock on the door. "Good evening, Col Mike," said my friend from intelligence. I took the envelope inside. Its contents shocked me, for they concerned the sudden activation of a tiny mechanism deep within Nasa's Hubble Telescope.

Like millions of other earthlings, I had been excited by the Hubble launch and was eagerly anticipating the moment when it got its act together and peered back in time to the first billion billion billion billionth of a second after Big Bang.

In the event, of course, the telescope turned out to be such a wretched piece of scrap that it couldn't focus on the moon, let alone hamlets at the edge of the universe.

Until this week, that is, because it is now producing some astonishing data. I will not fatigue you with the math (I use my own decryption algorithms), but we on Level Ten have been told that, because of an obscure experiment, the Hubble telescope can see a year into the future.

The White House is in ecstasy. At

Level Ten, the language in our briefing papers is invariably unemotional. But the paper I received this week was definitely cock-a-hoop. It was full of good tidings and comfort for good men. Here are some extracts:

"Thanks to the success of the 4-Sight experiment, the President has been informed that 1991 will be a year of peace and prosperity unparalleled in recent history. On January 7, Saddam Hussein announces full capitulation and takes early retirement. Iraq says that over the next decade will pay \$150bn in reparation for its invasion of Kuwait and offences against humanity."

"Everywhere, war becomes a non-word."

"Important cultural changes start to occur. The French declare that from mid-1991, they will stop getting up everyone else's noses. The Germans promise they will no longer terrorise fellow vacationers at Mediterranean resorts. An awful court international popularity. Japan follows suit."

announcing it will give away \$300bn worth of cars and hi-fi. The Chinese leadership says it is going for a long swim, and never coming back...

"Wall Street moves and shakes. On December 18 1991 the Dow Jones Industrial Average trades at 5,678.9 with no topside in sight. All moving averages overtake all other moving averages..."

And so it went on. At the bottom, George Bush had scribbled a personal message: "Happy days, Col Mike! The Hubble data corroborates my vision thing! Mike sends her love!"

It was on Wednesday that I received the Hubble briefing paper. Something did not ring true, but on Thursday I was distracted by FT meetings. These can last for hours. They are usually highly civilised. One person talks and 15 listen quietly. Sometimes we are served quiche. Whether they ever reach a conclusion I am afraid I cannot say, for halfway through one meeting I am asked to join another one and given a fresh slice of quiche.

Finally, I studied the Hubble diagrams. I was not a happy man, so I rang the White House.

"Hi there, Col Mike," said the president's most secret secretary. I told her I did not wish to alarm her but that I was nursing a growing doubt about the circuitry in the telescope's Eureka-buffer.

Yesterday, I rang again. I was put through to the president.

"Hi ya, Col Mike," said George Bush solemnly. "Am I glad you called. You were absolutely right. That buffer thing is crazy. The data is really spooked. I've been trialing all night with my scientific people and they okay your suspicions. What that telescope's got for brains is peanut-butter sandwiches. It can see into the future, but it muddles things up. What it should have been telling us is that there is going to be a major earthquake in Tokyo. We've gone to red alert!"

I am indebted to you, Colonel. I am promoting you this instant. If you're not ready for Level Eleven, I ain't the president."

## SPORT/CRICKET

## Cricket widow who hit back

I HAD JUST about given up hope of finding an English Test cricketer's wife willing to discuss life when the phone went the other day and a lady answered her sweetly as Lois Small, ready and willing to talk. Indeed, positively keen to talk, such was her ennu, left on her own with her 18-month-old son Zachary while her husband Gladstone fights to find fitness and form in Australia.

Lois will be disappointed, but not soul-destroyed, if he fails, because she is Australian and has mixed feelings about this series. Her strongest feeling is boredom, followed by pride in her husband's achievements and hostility to the game that deprived her of his company seven days a week last summer and then, after only a few weeks' reprieve, for four months this winter and soon - after his return on February 20 and a break until April 1 - for the whole of next season.

Whether England or Australia win the Ashes is relatively unimportant. Talking to Lois Small was seeing Test cricket from an angle of aggrieved neglect. She is sorry for all women who live with Test cricketers and pugnaciously in love with her Test cricketer, to whom she is married but with whom she reckons she can hardly be said to be living.

Recognising Lois Small at Birmingham New Street was simple. She was carrying a biscuit-coloured, curly-haired child with his father's ear-to-ear smile. I suppose I might as well say at once, to get the subject out of the way and save Lois her annoyance at peoples' fascination with it, that Zachary does have a heck, of normal length.

Lois could not resist volunteering an account of how she once dealt with someone using Gladstone's neckless physique as a weapon of abuse against him. She is slight and slender. She was watching Gladstone playing cricket at Melbourne, trying to show a bit of interest in the game. She was in the members' pavilion, behind a beer idiot who, she says, maintained a torrent of racist abuse about Gladstone; the better Gladstone bowled, the more vicious and neck-centred the abuse, calling him a

"...ing nigger... neckless coon." Eventually Lois tapped the offender on the shoulder and warned him that if he made one more abusive remark about her husband, she would make him pay for it. He reacted by dropping the abuse to even cruder levels. She tapped him on the shoulder again and this time when he turned round, thumped him on the nose, which responded with a gratifying symphony of cracks and rums.

Being married to a black cricketer and living near Birmingham has taught Lois to develop hully her natural instinct for independence. She rather relishes describing the sink-or-swim nature of her position.

"The way to survive is to do your own thing."

**Teresa McLean talks to Lois Small on life with a Test cricketer**

Lois's own thing? "Arranging hostesses for conferences, through a company I founded, called Mine Hostess."

I bet. Lois is slim, with highlighted hair, and looks on easy terms with the world. She said she gets into such a rhythm of her own without Gladstone child that it is quite hard to adjust when he comes back, though she obviously misses him and they talk on the phone whenever possible. I was not surprised to hear that her ambitions for Zachary exclude cricket. "There's no money in ordinary county cricket and no-one in their right mind watches it. It's a dead dreary bankrupt non-event. Much better go for golf or tennis."

Gladstone, I was assured, agrees with her about county cricket, and if he does not establish himself as a regular Test cricketer will think of something else to do. Apparently, he likes Australia and gets on well with the Australians. This is his favourite tour, as it is Lois's, so the Smalls find themselves in the slightly odd position of Gladstone, born

in Barbados and brought up in England, quite liking the idea of living in Australia while Lois, born and brought up in Australia, feels quite Anglicised and prefers it over here.

They live in Worcestershire while Gladstone plays cricket for Warwickshire. On his occasional days off, he plays golf at the local club and keeps his hand in at West Indian cooking, for which he has a lively talent.

Lois showed me the hilly pasture behind their house, complete with two horses and two dogs - a way of life she enjoys and values for occupying her while her husband plays himself to extinction. I asked if there was anything arranged to help Test wives manage - meetings, entertainments or the like - and she gave a grim little laugh before saying no.

She is friendly, but not intimately friendly, with some of the other Test wives, whom she has only limited opportunities to meet. A high proportion are divorced or separated and, not surprisingly, the few happily married ones, such as Alice Hemmings, Brenda Gooch and Alison Russell, take care to lead private lives.

Lois was well into her stride by now and made it clear in bloodthirsty terms that it is not much fun if you try to help yourself by joining the tour, as she was just about to do. Wives are tolerated, not encouraged.

"Get this in. This is hard to believe. Until the last Australian tour women were not allowed to have Christmas lunch with their husbands."

When I talked to Lois, she could not wait to get out there, but that was largely because she was going home, where her parents would spoil her and look after Zachary while she caught up with old friends. Gladstone, she said sadly, would be playing cricket almost every day of her two-month stay, with only Christmas Day and January 2 off. He likes touring better than she does.

Nonetheless, given that she was due to fly out the day the snow settled heavily on Birmingham and Gladstone badly strained his thigh muscle, I dare say she would not be pleased to fight her way out there only to find Glad-



stone about to be flown back to Britain.

The question of wives, specially wives with children, joining touring parties is a slightly more difficult one than Lois can see. Conservative thinking is that if wives are allowed to join tour parties, families will soon be allowed, and then what about girlfriends about to become fiancées? Travel is easier nowadays, which lets problems associated with travel flourish in complicated abundance.

This is not a line Lois has much time for.

English cricket is not distinguishing itself in Australia but Gladstone, says his wife is optimistic, as are his teammates, that English cricket will recover. One of her final remarks gave just a hint of some of the possible complications and changes of atmosphere that might surround England's beleaguered game when women like Lois join their husbands on tour.

"If I played cricket, which God forbid, I'd be a Dennis Lillee with snorting nostrils, breathing fire as I charged in to bowl. But Gladstone is not like that. He's a quiet and steady bowler. It's too boring for words."

There was just one subject on which she had no hesitation in being even more discouraging.

"The only thing worse than cricket is cricket journalists. They're the real, the ultimate pain."

We laughed ourselves legless.

## Down Under but not out

IN THE 19th century the Australian town of Ballarat was the centre of the Victorian gold rush: prospectors came from far and wide to strike the rich veins that would leave them comfortable for life ever after.

The beleaguered English cricket team has arrived in search of another illusive commodity - form.

The four-day match against Victoria is England's last chance to add some lustre to its performance before the Melbourne Test, starting on Boxing Day, and the Sydney Test five days later.

Injuries and loss of form aside, England have not been helped by their itinerary since the Brisbane Test when, going into the third day, Graham Gooch's side had every chance of snatching a win only to collapse against Terry Alderman.

When the English take the field at the MCG on Wednesday they will have played four four-day games, one Test - which lasted just three days - and 13 one-day games.

Australians are, of course, delighted by the thumpings their side has been handing out to the English and New Zealanders in the pyramids games. But they are also bemused that the English side has performed so woefully.

After England's apparent improvement in the West Indies tour and against New Zealand and India, Australians were anticipating more of a traditional, hard-fought contest in the Ashes series than in 1989. So there has been much debate as to why the English batsmen seem to leave their technique in their kitbags when they go out to bat.

Australian captain Allan Border has a unique perspective. He has played both Sheffield Shield and county cricket and has been in Gooch's position of captaining a side in the doldrums and trying to rebuild.

One of the first things he noted during our discussion was the amount of cricket played during the England season. With characteristic understatement he described it as just "a fraction too much."

In Australia there are only 30 Shield matches involving the six cricketing states. A batsman has 20 innings a year in which to make his mark. They have to perform to a high standard to get noticed. And they play four-day games.

"If county cricket goes into a four-day format you'll slowly but surely get new good cricketers," according to Border.

"With three-day cricket you get wickets prepared for a result or you have to rely on declarations. That isn't really necessary for us."

And, of course, there is the question of selection policies. The Australians are firm believers in giving a player a "fair go." The Australian players and press were bemused by the English selection during last year's Ashes series. "You need to sit down with the selectors and name the blokes you're going to stick with for three or four years. You pick your best 15 or so and stick with them," says Border.

"I was in England when riot and it's the worst thing to do when England did against West Indies was running riot and there's no continuity in the team. Everyone feels like they are playing for their place all the time and that's not the way to get the best out of a side."

"We've stuck with blokes and they've come good eventually. They need three Tests or so to settle down. It's very hard for someone who's got to a flyer in his first Test."

The Australian Cricket Board has 24 players recommended by the selectors on contract each year and can add to that number. This gives players the security of steady income and of knowing they are in the selectors' sights.

Border knows what Gooch's going through as a captain. In the dark days of the middle 80's when players of the calibre of Alderman and Gooch were going to South Africa it often seemed that he was single-handedly dragging the men in the baggy green cap out of the mire.

The Border of old - morose and sullen at post-match press conferences - has been replaced by a much more relaxed and gregarious individual. It all boils down to success. "We went through some grim times but now capacity is so much easier."

We can afford to make positive decisions. We can plan things, plan for a certain attack and know the bowlers can do the job."

But Border is not about to dismiss the role of the captain and identifies Gooch's absence as the key factor in England's disappointing start to the tour. "His absence has been much more dramatic than meets the eye. If he gets the side off to a good start then the team is much more confident. There's still a lot of cricket left this summer. People forget that we have only played one Test and England could get up in Melbourne."

Jason Steger